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Thatcher Cites Gap On Arms

Meets Sakharov, Says Openness Aids Progress

By Karen DeYoung

MOSCOW — Prime Minister Margaret Thatcher of Britain said Tuesday that a dispute over constraints on Soviet short-range nuclear weapons "might hold up complete agreement" on a separate medium-range weapons accord. She acknowledged that her nine hours of talks Monday with Mikhail S. Gorbachev had not helped to close the gap.

"We would like the right to match" the number of Soviet shorter-range missiles, Mrs. Thatcher said at a news conference here. "That has not been agreed."

On separate arms control matters, Mrs. Thatcher said that Mr. Gorbachev had accepted a British proposal on verification of a chemical weapons ban. The United States has objected to the British plan, a compromise on inspections of chemical weapons production facilities that was offered last summer in the Geneva talks.

The Soviet Union on Tuesday appeared to reject another Thatcher compromise, proposed at a dinner given by Mr. Gorbachev on Monday night, on the U.S.-Soviet dispute over spaced-based defense systems.

She had suggested that they put aside their argument over whether testing of the systems was a violation of the 1972 anti-ballistic missile treaty, and agree in principle to honor the treaty for a fixed time while exchanging schedules for the specific research and testing each wants to do.

"We have many times proposed that agreement be reached on a common, mutual understanding of what is prohibited" by the ABM treaty, the chief Soviet arms negotiator, Viktor P. Karпов, said at a news conference.

Repeating Moscow's assertion that the United States intends to violate the accord with its Strategic Defense Initiative, Mr. Karпов said that there was no point in exchanging timetables because "the Soviet Union is not engaged in any works prohibited by the ABM treaty."

Saying she planned an additional session with Mr. Gorbachev on Tuesday evening, before her departure for London late Wednesday, Mrs. Thatcher recalled that when the two first met during Mr. Gorbachev's 1984 visit to Britain, "I said he was a man to do business with."

"Well," Mrs. Thatcher said, "we were able to do a lot of business yesterday."

She said that much of their conversation has focused on Mr. Gorbachev's plans for domestic reform — "what he wants and believes, and his objectives." She added, "We understand better what the other is trying to accomplish."

Reiterating comments she made in her dinner speech Monday night, Mrs. Thatcher said she believed See MOSCOW, Page 6



Margaret Thatcher meeting Andrei D. Sakharov and his wife, Yelena G. Bonner, in Moscow on Tuesday.

Reagan, Chirac Join AIDS Fight

International Herald Tribune

WASHINGTON — President Ronald Reagan and Prime Minister Jacques Chirac of France announced an agreement here Tuesday to combine their countries' rival efforts in combating AIDS.

The White House statement, issued as the two leaders conducted wide-ranging talks on the second day of Mr. Chirac's visit, marked an end to a legal dispute between French and American researchers over patent rights to a screening test for acquired immune deficiency syndrome, or AIDS.

During their meeting, the leaders discussed East-West relations, arms control problems, trade and agriculture problems that have strained economic relations between the United States and some of its allies, and other issues.

A senior U.S. official said the

leaders "share an assessment" of what is happening in the Soviet Union under the openness policy of Mikhail S. Gorbachev.

But they agreed it would take time to know what it portended.

"This agreement, Mr. Reagan said at the signing ceremony, opens a new era in Franco-American cooperation, allowing France and the United States to join their efforts to control this terrible disease in the hopes of speeding the development of an AIDS vaccine and cure."

Mr. Chirac and Mr. Reagan said the Pasteur Institute in Paris and the U.S. Department of Health and Human Services had agreed to give part of the royalties from the test to a new foundation dedicated to the worldwide fight against AIDS.

The disease is caused by a virus that attacks the immunity system,

leaving the body vulnerable to fatal infections and cancers.

They said the two parties would share the patent and give 80 percent of the royalties received to the new foundation.

U.S. officials said the royalties would amount to about \$5 million annually.

The foundation would also raise private funds and would donate 25 percent of its money to combat AIDS in less developed countries.

Pasteur Institute scientists filed a lawsuit against the U.S. government in December 1985 over a patent on an AIDS antibody test developed by Dr. Robert Gallo and his research group at the National Cancer Institute, a unit of the National Institutes of Health.

The lawsuit contended that the

Belgrade Sets

Exceptions to Wage Freeze

The Associated Press

BELGRADE — The parliament voted on Tuesday to grant exceptions to the wage freeze that had set off the worst labor conflict in post-war Yugoslavia, Belgrade Radio reported.

According to the broadcast, the amendments to the legislation were adopted by an unspecified majority after a bitter debate.

The laws on the wage freeze were enacted on Feb. 26.

The broadcast said that deputies had approved exemptions for tourism, agriculture, catering services, airline and airport services, education, health service, construction industry, arms and weapon industries.

Industries "with sound economic management" were granted exemptions, the broadcast said.

About 28,000 workers out of a work force of 6.5 million went on strike, according to trade union figures, largely because of the wage-freeze laws that had linked wages to productivity, resulting in cuts of up to 50 percent in wages and salaries.

Most of the wildcat strikes stopped by March 20, but some small-scale walkouts have been going on.

The number of people affected by the amendments adopted Tuesday could not be immediately established.

The broadcast quoted Deputy Prime Minister Jancic Zemanovic as saying, "We must persist in implementing the basic idea of the emergency legislation."

He said that inflation continued unabated, exports stagnated, and profits declined, while spending increased at all levels.

The inflation rate ranged from 90 percent to 100 percent last year.

Custody of Baby M Awarded to Father

The Associated Press

HACKENSACK, New Jersey — A judge awarded custody of Baby M to her father Tuesday, ruling that the surrogate mother who gave birth to her must honor the contract in which she pledged to surrender the child.

"In the first judicial ruling on surrogate motherhood in the United States, a Bergen County Superior Court judge, Harvey R. Sockow, upheld the contract on the grounds that just as men have a constitutional right to sell their sperm,

women can decide what to do with their wombs.

The judge made no provision for the surrogate mother, Mary Beth Whitehead, ever to see her daughter again. He said the father, William Stern, and his wife, Elizabeth, would be the most fit parents for the year-old child.

The judge called Mrs. Whitehead impulsive and exploitive, and said that in her testimony she had either selectively omitted information or lied about aspects of her life.

Mrs. Whitehead had visited her daughter for two hours in the morning, but unlike the Sterns, did not attend the court session. Instead she drove to her hometown of Brick Township and lit a devotional candle at a church.

Each side had said it would appeal an unfavorable decision.

The baby's court-appointed attorney, Lorraine A. Abraham, had recommended to the judge that he give custody to the Sterns and to deny Mrs. Whitehead visitation rights for at least five years.

The legal battle began after Mrs. Whitehead, who had been artificially inseminated with Mr. Stern's sperm, refused to give up the baby.

She refused her \$10,000 fee and fled to Florida with the infant when the Sterns obtained a court order giving them temporary custody. For 87 days she moved from relative to relative, until the authorities tracked her down and returned the baby to the temporary custody of the Sterns.

An emotional three-month non-jury trial followed, focusing on whether a mother can be forced to give up the child she agrees to bear under contract.

The proceedings raised questions about the future of surrogate contracts, which has led to more than 500 births since the first contract in 1976. No state regulates the practice, which some say exploits poorer women and amounts to baby-selling, while others endorse it as a route to parenthood.

In the first part of the trial, the judge considered the legality of the contract, which Mrs. Whitehead, 29, a housewife, said she signed without reading. Lawyers argued about whether a mother could rationally agree to give up a baby before it was conceived and whether the Sterns misrepresented themselves as infertile.

The second phase of the trial was to determine who was most fit to raise the child, who was named Melissa by the Sterns and Sara by the Whiteheads.

Mr. Stern, 41, a biochemist, and his wife, Elizabeth, a pediatrician, were presented as a stable, loving couple with the emotional and financial resources to assure the baby's future.

But the Sterns' affluence and education were criticized by those who suggested that class and money play key roles in surrogate parenthood.

The Whiteheads' attorneys contended that Mrs. Stern, 41, turned to surrogacy because she did not want pregnancy to interfere with her career, and that her fear of complications due to a mild form of multiple sclerosis were false.

Mrs. Whitehead and her husband, 37, a sanitation worker, said they are the experienced parents of two other children and could offer the baby an extended family. But the baby's attorneys about their stability were raised, including their financial situation, marital problems and Mr. Whitehead's bouts with alcoholism.



Prime Minister Jacques Chirac of France, left, speaking during a White House ceremony on Tuesday as President Ronald Reagan and Secretary of State George P. Shultz listened.

Scots at Caterpillar Ponder a Future Without Their Factory

By Warren Getler

International Herald Tribune

GLASGOW — Last Christmas, prospects were looking bright for Jim Shiels. Months earlier he had purchased a home for his family of three, on the assumption that his job at Caterpillar's Uddingston plant near here was secure.

Caterpillar Tractor Co. had said in September that it would invest £62 million (about \$39 million) into the 1.1 million square-foot (about 102,000 square meter) plant, dubbing it among others a "factory of the future."

But, shortly after the Christmas holiday, things turned sour for Mr. Shiels and more than 1,200 other local Caterpillar workers.

Caterpillar, the giant U.S. tractor manufacturer, announced on Jan. 14 that it would shut the Uddingston plant within 15 months and transfer most of its operations outside Britain, chiefly to Belgium and France.

The majority of the Glasgow workers, many of whom had recently invested in new homes and new cars, were

told they would be out of their jobs before the end of the year.

The following day, 800 of the plant's workers began an occupation of the factory, which continues, although support has waned.

On Monday, the workers voted 369-363 to extend their nonviolent sit-in, defying a court order.

The standoff, now in its 11th week, has raised painful questions here about a multinational's commitment to its local employees, particularly when local unemployment is near record levels.

And for multinationals represented in Britain, it raises legal and financial concerns about the ability of local employees to disrupt operations by prolonged, illegal occupation of plant facilities.

Joblessness in Glasgow, a city battered by the near disappearance of the local shipbuilding and ship-repair industry, is already 20 percent, close to double the British national average of just over 11 percent.

In addition to most of the 1,220 jobs at the Caterpillar

plant, about 5,000 jobs at nearby subcontractors also will be lost because of Caterpillar's closing, according to Scottish trade union officials.

Caterpillar, based in Peoria, Illinois, said its decision in Glasgow was an effort to cut costs by consolidating its worldwide manufacturing operations. On Jan. 22, a week after the Glasgow announcement, the group reported a 62 percent plunge in net profit to \$76 million in 1986, from \$198 million in 1985.

Stressing the need to cut excess capacity in light of reduced demand, Caterpillar said in January that the Glasgow shutdown would dovetail with the closing of two manufacturing sites in the United States. In 1984 and 1985, the company shut five plants in the United States and one near Newcastle, England.

"We decided we could take production at Glasgow and make it fit into our plants at Grenoble, France, which employs 2,500, and Gosses'ries, Belgium, with its 4,600 workers, but not the other way around," said Don Niemi,

See GLASGOW, Page 6

Kiosk

House Crushes A Reagan Veto

WASHINGTON (AP) —

The Democratic-controlled House of Representatives voted 330-73 on Tuesday to override President Ronald Reagan's veto of an \$88 billion highway and mass transit bill. The vote sent the measure to the Senate, where a close vote was expected.

A two-thirds majority in each house is needed to override the president's action on the bill, which couples more than 100 road projects with a provision permitting the states to raise the speed limit to 65 miles (105 kilometers) per hour on most stretches of interstate highway.

GENERAL NEWS

U.S. orders shutdown of a nuclear plant where controllers were sleeping on duty. Page 8.

Flaws in Kenya's democracy are starting to surface. Page 2.

SPORTS

Indiana edged Syracuse, 74-73, to win the college basketball championship. Page 17.

BUSINESS/FINANCE

U.S. leading indicators showed a 0.7 percent overall increase in February. Page 11.



Paul Newman's first Oscar: Best Actor in "The Color of Money." Other awards, the back page.

3d Marine Held in Spy Case

Served in Moscow At Time Alleged Breach Occurred

United Press International

WASHINGTON — A third U.S. Marine who served as a guard at the U.S. Embassy in Moscow has been arrested as a new suspect in an espionage plot involving U.S. Marine guards at the embassy, and Corporal Arnold Bracy, a Marine held since last week, was charged formally with espionage-related activities, the Pentagon announced Tuesday.

Staff Sergeant Robert Stanley Stufflebeam, 24, of Bloomington, Illinois, the second-ranking man in the Marine detachment at the embassy, is suspected of "having associations with Soviet women on several occasions" while he served in Moscow at the same time as Sergeant Clayton J. Lonetree and Corporal Bracy, the Pentagon said.

Sergeant Stufflebeam was arrested at Camp Pendleton, California, on suspicion of violating two military regulations: failing to report contacts with foreign nations and lying at a debriefing before he left Moscow by saying he did not have any such contacts.

The sergeant, who was arrested

Moscow dismisses allegations that it recruited two U.S. Marines as guards. Page 3.

Staff members at the U.S. Embassy in Moscow recall a fashionable brunette. Page 6.

Sunday and confined to the brig at Camp Pendleton, served at the embassy from May 10, 1985, to May 24, 1986 — a period when both Sergeant Lonetree and Corporal Bracy were part of the Marine detachment at the embassy.

He was questioned as part of the ongoing investigation into activities at the embassy. But the questioning did not appear to be directly related to the interrogation of Sergeant Lonetree and Corporal Bracy, the Pentagon spokesman, Robert B. Sims, said.

At the State Department, the spokeswoman, Phyllis Oakley, announced that William A. Brown, the U.S. ambassador to Thailand and a former political officer at the U.S. Embassy in Moscow, was being brought back from Thailand to head the State Department's investigation of the security breaches at the embassy in Moscow.

The department announced Monday that it is investigating "all aspects" of the security situation at the embassy.

Four charges were filed against Corporal Bracy, 21, of New York City, who was arrested last week at the U.S. Marine Corps base at Twentynine Palms, California.

The charges included conspiracy to commit espionage as Sergeant Lonetree's alleged accomplice in allowing Soviet agents to enter the embassy and "peruse" sensitive areas of the building for up to four hours last year.

The corporal also was accused of acting as a lookout and "monitoring, silencing and securing various alarms" that were triggered by Sergeant Lonetree and the Soviet agents while they went through the embassy.

He was accused of contacting two Soviet agents allegedly known to Sergeant Lonetree, the charge sheet said.

The new developments in the investigation unfolded 24 hours after the Reagan administration recalled the entire 28-man detachment from the embassy as part of the inquiry.

Sergeant Lonetree spent about five hours Monday at Bethesda Naval Hospital in suburban Washington for a psychiatric evaluation to determine his ability to stand trial at a court martial, the Marine Corps said.

The 25-year-old sergeant from Chicago, now in solitary confinement at the Marine base at Quantico, Virginia, will face a hearing April 15.

A U.S. Spy Left Out in the Cold

Man Who Helped Catch Soviet Agent Says FBI Lied to Him

By Margo Hombrower

Washington Post Service

NEW YORK — A Guyanese

computer student who worked with

the FBI to trap Gennadi F. Zak-

harov, a Soviet spy, said he was

turned to the student in a spy, sur-

prised publicly Monday, complain-

ing that he had been underpaid and

misled by U.S. agents.

"I was promised rewards, lots of

money, a good resume, medals,

good job recommendations, but

those things never materialized,"

said Leakh Bhoge, who is unem-

ployed and living in a basement

apartment in a Brooklyn slum.

Mr. Zakharov's arrest on a sub-

way platform in Queens, just after

Mr. Bhoge had handed him an en-

velope containing three classified

documents, ignited a superpower

dispute that led to the arrest of

Mr. Zakharov for Mr. Daniloff.

Mr. Bhoge, 30, said at a news

conference at Queens College that

he had fantasized about becoming

a James Bond-type spy but had

discovered that the job was far

from glamorous.

A Federal Bureau of Investiga-

tion spokesman, Joseph Valente,

declined comment, saying, "It is

not FBI policy to reveal the iden-

tity of informants or double agents."

The government has identified its

operative as a Guyanese graduate

student at Queens College but has

refused to give his name.

Mr. Bhoge's story, as told at the

press conference and to a writer for

New York magazine — which on

Monday published a long account

of the espionage episode — con-

firmed that the FBI went to ex-

traordinary lengths in August to

catch Mr. Zakharov in an open act

of espionage shortly before he was

to return to the Soviet Union.

This effort came after the FBI

had spent years watching Mr. Zak-

harov develop Mr. Bhoge as a po-

tential agent. During that time, the

bureau had to cajole Mr. Bhoge to

stick with its program and paid him

more money than Mr. Zakharov

did to continue working as a double

agent, by Mr. Bhoge's account.

Mr. Zakharov, a physicist work-

ing at the United Nations without

diplomatic immunity, was arrested

Aug. 22.

A week later, agents of the Soviet

KGB seized Mr. Daniloff, the U.S.

News and World Report corre-

spondent in Moscow, after he re-

ceived an envelope from a Soviet

acquaintance. The Soviets charged

Mr. Daniloff with espionage, and

after a tense confrontation, Mr.

Reagan agreed to release Mr. Zak-

harov on Sept. 12, and Moscow

agreed to release Mr. Daniloff the

same day.

Mr. Bhoge, one of eight children

of a Guyanese farm worker who

emigrated to Brooklyn in 1977, said

he decided to tell his story because

he felt "bitter" about his treatment.

At the news conference, Mr.

Bhoge said he was paid \$20,000 by

the FBI over three and a half years,

and \$10,000 by Mr. Zakharov,

which he gave to the FBI. After

reading of the lucrative book and

lecture deals negotiated by Mr.

Daniloff, he said he asked the FBI

for more money and was promised

"\$100,000 in installments" by Dan

Snyder, one of his FBI handlers.

Mr. Snyder reneged on the al-

leged agreement, Mr. Bhoge said,

and, in October, after the interven-

tion of Representative Gary L.

Ackerman, Democrat of New

York, offered him a final payment

of \$10,000, which Mr. Bhoge said

he refused.

Mr. Bhoge was introduced to

Mr. Zakharov, who posed as a pro-

fessor needing research help, by a

friend student in 1983. Mr. Zak-

harov hired Mr. Bhoge to photo-

copy articles for the "Moscow In-

stitute," to pick up public

documents and to deliver a pack-

age.

A week after their first meeting,

Mr. Bhoge, on another student's

advice, contacted the FBI. He was

reluctant to work for either side, he

said, but was persuaded to do so for

the money and out of patriotism.

Eventually, Mr. Zakharov persuaded

Mr. Bhoge to practice stealing

microfilm from universities.

In January 1985, when Mr.

Bhoge completed his computer

studies, Mr. Zakharov asked him to

look for a job in robotics or artificial

intelligence. But at the FBI's

request, he said, he took a \$250-a-

week job as a machinist at MAG

Machine and Tool company, a mili-

tary subcontractor.

Mr. Bhoge said that the day of

the arrest, he had not warned Mr.

Zakharov that he was planning to

bring classified material. Mr. Zak-

harov grew suspicious, he said, and

refused to pick up the documents in

Mr. Bhoge's car, agreeing to meet

him later at a subway station.

Afterward, when the FBI refused

to pay him more than the \$20,000

he had earned, Mr. Bhoge said he

contacted Mr. Ackerman, who said

he met with Mr. Bhoge on Oct. 28

and helped to expedite his citizen-

ship application.



Leakh Bhoge

U.S. Court Rejects Sanctuary Case

The Associated Press

WASHINGTON — The Su-

preme Court has left intact a ruling

that the criminal prosecution of

members of the American "sanctuary

movement" who aid illegal

aliens from Central America does

not violate religious rights.

The justices, without comment,

refused Monday to hear an appeal

by two persons convicted of such

activity in Texas. Both received

prison sentences.

John B. Elder, director of a refuge

sanctuary in San Benito, Texas,

and Stacey Lynn Merit, a volun-

teer at the shelter, were convicted

of conspiring in 1984 to transport

illegal aliens within the United

States. Mr. Elder has served a six-

month term in a half-way house;

Ms. Merit, who is pregnant, is

serving a 179-day jail term.

Soviet Dismisses Spy Allegations

United Press International

MOSCOW — A Soviet Foreign

Ministry spokesman dismissed on

Tuesday allegations that KGB

agents, using sexual favors as a

bribe, recruited as spies two U.S.

Marine guards at the U.S. Embassy

here.

The spokesman, Gennadi I. Ge-

rasimov, also said that the order to

withdraw the embassy's 28 Marine

guards for security reasons was "a

defect of the famous U.S. Ma-

lines."

Mr. Gerasimov said at a news

conference that the Kremlin was

sorry to see the marines leave and

that officials had to smile at the

implications that the U.S. guards

were unable "to withstand the

charms of blonde spies."

A U.S. Embassy spokesman had

no comment on the decision to

withdraw the guards stationed in

Moscow and replace them with a

fresh group in a move described by

U.S. officials as a "precautionary

action."

Earlier in the news conference,

Mr. Gerasimov denied allegations

that a diplomat in the Soviet Em-

bassy in Paris had operated a spy

ring in France that sought informa-

tion on European space technol-

ogy. He termed those allegations

"totally absurd."

However, when answering ques-

tions on the allegations involving

the two marines, Sergeant Clayton

J. Lonetree and Corporal Arnold

Bracy, Mr. Gerasimov became eva-

sive and made lighthearted and

cynical responses.

"If you act on the premise of

objective positions," Mr. Gerasi-

mov said, "you will agree that even

if a marine had certain contacts

with Soviet citizens what informa-

can a marine have? His main

purpose is to ensure security at the

embassy. I believe that this is just

another wave of repeated allega-

tions of Soviet spying."

■ **Hartman Comments**

Earlier, Stephen Engelberg of The

New York Times reported from

Washington:

Arthur A. Hartman, the depart-

ing ambassador to the Soviet

Union, said Monday that he be-

lieved the young, unmarried U.S.

Marine guards at the embassy in

Moscow should be replaced by a

more mature force less susceptible

to temptation.

His comments came as the State

Department and the Marine Corps

announced that all 28 marines at

the embassy were being recalled.

They will be replaced by other ma-

lines in April.

The State Department said that

the move was precautionary and

that none of the marines now in

Moscow had been implicated in the

espionage cases against Sergeant

Lonetree and Corporal Bracy.

Mr. Hartman, who was ambassa-

dor from 1981 until this month,

said he had no idea about the latest

cases of Marine fraternization with

Soviet women.

Meanwhile, administration and

congressional officials said the em-

bassy in Moscow had been slow to

respond to warnings that it was

vulnerable. One official on Mon-

day described it as "porous."

Mr. Hartman said the embassy

had been vigilant about security.

"But something bad has hap-

pened here and we have got to find

out what happened," he said.

■ **Soviet Population Grew 1%**

Reuters

MOSCOW — The population of

the Soviet Union grew 1 percent

last year, reaching 281.7 million on

Jan. 1, Tass said Tuesday.

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INTERNATIONAL Herald Tribune

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Yen Up, Dollar Down

While the quarrel over trade got louder two weeks ago, the Japanese yen rose higher than ever, and the U.S. dollar resumed its long decline. It was a signal. The hugely unbalanced flows of trade between America and Japan are not going to be straightened out by protectionist trade bills and litigation. The remedy is going to be the exchange rates. If both countries stick with their present policies, it seems probable that the dollar will keep falling for a while and the yen will keep rising.

Governments no longer have control over exchange rates. They often talk as though they had, but that is merely a case of cultural lag. Last week's events demonstrate the point. Last month the big industrial countries agreed to try to hold the rates more or less where they were. When the dollar fell to a price of 150 yen, they began intervening — that is, these governments sold yen and bought dollars to try to hold the prices stable. It was a massive, carefully coordinated effort by the richest and most powerful of the trading countries. They succeeded in slowing the fall, but by the end of the week the dollar was selling at 147 yen. That would have been a significant drop even in the absence of intervention.

The Japanese are complaining bitterly about the rising yen and the damage it is doing to their exports. But you have to ask: What did they think was going to happen?

It is classical economics. When a country sells far more abroad than it buys, its currency gets scarce and the price for it rises. A country can keep the game going for a time by lending to its customers, as Japanese have been lending to Americans on a very large scale. But eventually, as the debts accumulate, the lenders begin to get wary and back off. The government does not have the resources to hold the exchange rate steady — and the rate begins to climb, pulling that trade surplus down by hurting exports and helping imports. The same process works in reverse for a country like the United States, which runs a big trade deficit. Because the dollar is coming down, American exports are now starting to go up — and so is the American inflation rate.

If the Japanese government wants to protect its internal economy from the effects of the exchange rate, it can do several things. It can cut taxes, cut interest rates further and encourage faster investment at home. Instead it has entangled itself in a misguided attempt to impose a new consumption tax — precisely the wrong move. Until governments bring their domestic policies into line with their international positions, the job of balancing the trade accounts will be left to the exchange rates. It is a crude mechanism, erratic and sometimes destructive, but in the end exceedingly effective.

—THE WASHINGTON POST.

Greeks and Turks

In the last few days, Greece and Turkey, NATO members and formally allies, went through some of the motions of preparing to go to war. In a way it was a symbolic exercise to which others paid brief attention only by way of satisfying the would-be combatants' pride. Still, it could have got out of hand, and the basic situation remains tense.

Optimists hoped that the traditional rivalry of Greeks and Turks would yield to anti-Soviet cooperation when the two nations joined NATO. But in the larger security bestowed by the alliance, both have felt free to continue indulging their rivalry.

In the current instance, the hot question is the exploitation of resources in disputed waters of the Aegean. The answer that both countries accepted in 1976 was not to force the issue unilaterally. Andreas Papandreu, elected prime minister of Greece in 1981, let that agreement lapse. Recently Greece made a move interpreted in Turkey as a determination to begin unilateral Greek drilling. Turkey responded with a move toward unilateral Turkish drilling. Mr. Papandreu escalated politically by freshening his familiar attack on American base rights. Muscles were flexed, but over the weekend calm returned.

It would be good if Turkey and Greece could negotiate their dispute. The Turks, though, have often been unbending, espe-

cially in their continued holding of northern Cyprus, which they invaded in the name of protecting Turkish Cypriots from Greek persecution. The Greeks, meanwhile, have fallen into the habit of blaming the United States for supposedly favoring Turkey — which is bigger and more central to NATO planning — and for emboldening the Turks to trample on Greek interests in Cyprus, the Aegean and elsewhere. The Greek complaint has had some merit, but in the Peppercorn time it has frequently appeared to be laid on for domestic political purposes and it can be very difficult to distinguish from cheap anti-Americanism.

There was a time when the United States found it necessary and desirable to try to reconcile Greeks and Turks, but frustration overwhelmed constructive impulse and now the American policy is to concentrate on improving relations separately with each country. This means dealing constantly with prickly issues of foreign aid and military bases and otherwise trying to soothe Greek-Turkish differences in overall alliance concern. Until Greece and Turkey both acquire strong leaders who can rise above political pressures on the Greek side and military pressures on the Turkish, it seems as though nothing much better will be on the horizon.

—THE WASHINGTON POST.

Other Comment

Cynical Protectionism

Politicians playing the seductive tunes of protectionism to the gallery of public opinion received a loud raspberry (on Monday) from the financial markets. There could scarcely have been a more graphic demonstration of the perils of restraint on trade than the stock market jitters around the possibility that the strong growth in world trade might be interrupted by a trade war.

In January the United States was tempted by the protectionist bludgeon to try to obtain faster progress in reducing its deficit with the European Community and with West Germany in particular. In the last few weeks it has picked up the same weapon against Japan over microchips. Treating the tightrope of trade restrictions is a dangerous exercise. A policy intended as a bargaining counter can undermine international confidence and lead to the very inhibition of world trade which it is designed to break down. Everyone loses from protectionism. So far this truth seems to be clearer to financial markets than it is to politicians.

—The Times (London).

Cynically, the Reagan government has been conducting a policy for the past two years of "competitive devaluation of the dollar," aiming, through an exceptionally large depreciation, to discourage imports and stimulate exports. It has reached the point today of threatening to start a trade war with Japan. This is an admission of failure that could have high costs not only for the nations directly involved but for the entire international community.

Fearing the implementation of the "retaliatory measures" being readied by Washington to punish the Japanese for exceeding agreed limits on semiconductor sales to the United States, the financial markets took a brutal plunge at the beginning of this week. The dramatic drop in prices was all the more impressive as the startling prosperity of the financial markets, in contrast with the mediocre performance of the economy, becomes harder to pass off for anything but what it is: an unhealthy phenomenon illustrating a major diversion of savings, away from productive investments and toward more remunerative financial placements.

Meanwhile, the indefinite fall in the dollar has led central banks to apply the brakes

through supportive purchases. And that is the heart of the drama: As low as it is, the dollar appears to be overvalued — for if the support were to stop, it would be lower still.

—Le Monde (Paris).

Too Lax on Spying

The world's great and small powers spend billions of dollars annually on technological means for collecting intelligence. But high-tech spying still has not eliminated the most ancient tools of espionage. Sex, money and appeals to personal grievances remain potent lures in enlisting spies.

The latest case involves allegations that Soviet intelligence was able to penetrate the inner sanctums of the U.S. Embassy in Moscow. One marine guard at the embassy has been charged with abetting those intrusions in 1985 and 1986. Another is under suspicion. U.S. officials fear that Soviets were able to enter top-secret communications facilities and to identify CIA sources in the Soviet Union. One official describes the intelligence losses as "horrible."

The American system rejects the notion that anyone with access to highly classified information must be kept under constant suspicion. But recent cases raise the most disturbing questions about laxity in protecting secrets. Counterintelligence can never be foolproof. But where U.S. efforts to counter Soviet recruitment of U.S. agents are concerned, it can be a lot better.

—The Los Angeles Times.

Hong Kong's New Press Law

Almost all Hong Kong news organizations, in unaccustomed unity, have opposed the press law passed in mid-March. Critics accuse the government of conspiring with Beijing to tame the Hong Kong press in preparation for 1997, when sovereignty over the territory will pass to China.

At the heart of the law is a clause making it a crime to publish "false news which is likely to cause alarm to the public or a section thereof or disturb public order."

Critics argue that this is far too vague, and the government replied by promising to use the law with discretion and restraint. But the journalists ask what good that guarantee will be after 1997.

—Jamie Robertson, a British free-lance writer, for South-North News Service.

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Directeur de la publication: Walter H. Thayer

Editor for Asia: Michael Richardson, 1 Canterbury Rd., Singapore 0511. Tel: 724-7768. Telex: RS26928
Managing Dir. Asia: Malcolm Glen, 30 Gloucester Road, Hong Kong. Tel: 5-8610616. Telex: 61170
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OPINION

America's 'Japan Problem' Is Japan's Problem, Too

By Hobart Rowen

WASHINGTON — President Reagan took a popular step when he slapped a punitive tariff on \$300 million worth of Japanese electronics goods. The American public was ready to punish the Japanese. And the step will be cheered in Europe, South Korea, Southeast Asia and elsewhere as an overdue response to Japanese import barriers.

But Mr. Reagan's retaliation through punitive tariffs involves big risks in a relationship with a major ally. It looks like a surrender to the protectionist-minded among his advisers who see the Democrats coming out ahead in an election year's Japan-bashing sweepstakes. The risk is not only the encouragement

given to other industries — and other countries — tempted by the crutch of government protection against competition from abroad. The even bigger danger is that the American public will be swept into believing that the trade deficit can be wiped out, and lost jobs restored, by additional "tough" actions against Japan, Taiwan, South Korea, West Germany and other countries that have trade surpluses with the United States.

Although intended to deflect even harsher congressional action, Mr. Reagan's move — abandoning his previous strong commitment

to free trade — could backfire, giving new encouragement to hard-liners like Representative Richard Gephardt.

Obviously triggered by Japan's alleged failure to stop selling microchips below cost, Mr. Reagan's action was in reality a shot across the bow expressing general frustration over America's "Japan Problem."

The microchip accord, an effort to fix the price of a commodity in excess supply, was doomed to failure from the start. But Japan's leaders should have known for a long time that something would touch off the accumulated trade frustrations: No sovereign nation could forever contemplate a bilateral \$60 billion deficit, or global red ink of \$170 billion. The major remedy, from Japan's side — boosting its domestic economy while reducing a slavish devotion to exports — has long been evident, promised and unapplied.

Japan has had enormous economic success at a time when America and Europe have been unable to compete in many areas. Harvard's Professor Ezra Vogel remarked a year ago in *Foreign Affairs* that future historians may see the mid-1980s "as the time when Japan surpassed the United States to become the world's dominant economic power."

So long used to being number one, some Americans assign Japan's success entirely to unfair methods, copying, cheating or stealing trade secrets. Japan may be guilty on some or all of these counts, but there are also American failures — to manage the economy, to match Japanese quality performance, to improve the educational system, to reduce management-labor confrontation, to curb a propensity to consume rather than save.

On his Sunday television show, ABC commentator David Brinkley, welcoming the punitive tariffs, grumbled: "All of the things that Japan sells us were invented here." But

the real question is this: If Americans did invent such things as television technology, robots and other high-tech products, why have they not been as successful as Japan in developing and marketing them?

The West belittles Japanese creativity, even though Japanese achievements in technology, art, fashion, architecture and literature have been stunning. Only someone with his head deep in the sand would fail to understand that the "Japan problem" for the United States is the Japanese are "unfair" and more that they have done their homework, including expending what is necessary for civilian research and development.

The first commercial robot was marketed in the United States in 1958. It was not until 1967 that Japan bought its first robot from an American company. Yet Japan now produces each year about as many robots as the rest of the world, and its schools annually graduate (in absolute numbers, not relatively) 50 percent more electrical engineers than do schools in the United States.

So Japan is doing something right. American consumers vote every day with their dollars. None of this is to say that Japan's mercantilist trade policy is acceptable. Japan has benefited from open markets elsewhere, yet has tried to buy as little from abroad as possible, especially in manufactured goods.

Japanese officials have been warned for years by their American friends that they cannot stand pat and complacency that they are being punished for their success. They should have heard the same message from the "wise men" in their own establishment, as laid out in the Mackawa report that urged a shift from an export-oriented economy. If Japan does not move promptly in this direction, its future relationship with the United States are sure to be determined less by the Reagan team and more by the Gephardts in Congress.

The Washington Post.



The Members Are Cheating and GATT's Watchdog Is Toothless

By Brigid Gavin

GENEVA — For the first time, GATT has been given a surveillance role over the trading practices of its member countries. On Jan. 28 it was agreed in Geneva to set up a mechanism to monitor the "standstill" and "rollback" commitment by trade ministers from 92 countries at the GATT meeting in Punta del Este, Uruguay, last September which launched a new round of trade negotiations.

The ministers pledged, "commencing immediately and continuing until the formal completion of the negotiations," to take no new protectionist measures and to dismantle existing measures that are illegal under GATT rules. They also agreed to regular monitoring of trade policies.

GATT has been walking backward into multilateral surveillance since its last ministerial meeting in 1982. Unfortunately, what has been put in place is a toothless tiger, a passive procedure that leaves the GATT secretariat little more than the role of messenger boy between member governments engaging in clandestine, collusive and often illegal trade practices.

The "standstill" and "rollback" commitment is diplomatic jargon referring to GATT's large and bur-

geoning gray area, commonly called "the new protectionism."

Since the early 1970s, several systems of protection have been constructed, each tailored to the needs of a particular industry and administered and further developed by highly specialized officials who often have come from industry into public administration.

The most highly developed such system is the Multifiber Arrangement, covering trade in textiles and clothing. It amounts to an organization of the world market so thorough that the entry of newcomers — essentially small or developing countries — has become very difficult.

The world market for steel is approaching the same degree of organization, followed by automobiles. And the most significant development of last year was the U.S.-Japanese semiconductor pact: 90 percent of the world's fastest-growing industry is now subject to bilateral pricing and other practices that restrict competition.

The main instrument of this "new protectionism" is the bilaterally negotiated export restraint, euphemistically called "voluntary" export restraint, or VER. A recent GATT

document shows 93 VERs. The European Community has 53 such arrangements, the United States 27, Japan 23 and South Korea 12.

The VER is essentially an instrument for circumventing the law, international as well as national. Its main political attraction is that it avoids protest by the restrained exporting country. The illusion that international rules have not been broken may thus be preserved.

For the restrained country there is an economic attraction: The VER allows the exporting company to effectively form a cartel. Monopoly profits from the cartel arrangement (a workable one, since enforced by the government) are highly attractive to major exporting firms.

Two standard types of VERs have become common, and both have a corrosive effect on the rule of law. The first occurs when there is serious injury or an alleged threat of serious injury to domestic producers through imports. The U.S.-Japanese agreement on automobiles illustrates the bending of the law on both sides of the transaction.

In 1981 the U.S. International Trade Commission conducted an

investigation that found no evidence of serious injury to the domestic automobile industry from Japanese imports. So the United States had no legal mandate to negotiate with Japan. Negotiate it did, nonetheless — but the result was presented as a "voluntary" decision on the part of Japan to restrain its exports.

The Japanese acquiesced because a VER allows the exporting firms to sell at a price above the competitive export price. The firms can agree among themselves on market shares and prices in the slice of the market which they have been guaranteed. They effectively form a cartel.

Article 98 (2) of the Japanese Constitution requires that international treaties entered into by Japan shall be faithfully observed. GATT is a valid treaty for Japan, and its rules prohibit quantitative restrictions on exports as well as on imports, in general, and discriminatory restrictions a fortiori.

A second typical VER occurs in cases of alleged subsidization or "dumping." Exporters are exposed to the threat of countervailing duties. They fear investigations of these practices because their planning is paralyzed while the investigations last, and because the legal costs of

defense are high. Both the EC and the United States have relatively new procedures which give quick relief: A VER will terminate the investigation.

This practice has replaced the classical GATT remedy and implies a departure from a fundamental principle of legal procedure. Punishment (restraint) is meted out and accepted before guilt is established. Viewed from the importing side, the industry seeking protection can get satisfaction on a complaint without proving wrongdoing or injury.

The new surveillance mechanism in GATT allows the secretariat to count VERs but not to comment on them. This is not enough. When the major GATT contracting parties abdicate their responsibility as guardians of the treaty, it falls upon the secretariat to get the guardians to play this role. It needs a mandate to monitor what is going on. Otherwise, gray-area measures will multiply and often remain unnoticed.

The writer, who worked with the EC delegation to GATT from 1981 to 1983, is conducting research on GATT at the Graduate Institute of International Studies in Geneva. She contributed this comment to the International Herald Tribune.

Around the World, a Much-Maligned Press Needs a Champion

By Jonathan Power

NEW YORK — The pundits are taking bets on who is going to succeed the controversial Amadou Mahtar M'bow as director-general of UNESCO. Will it be former Prime Minister Pierre Elliott Trudeau of Canada, Foreign Minister Sahabzada Yaqub Khan of Pakistan or someone else? People love horse races. Yet this one could obscure a bigger battle that has gone on for years — has UNESCO, the United Nations' educational and cultural body, helped or hindered the cause of press freedom?

For 10 years it was consumed with a debate on establishing the norms of a "new information order." Only after the United States and Britain walked out did UNESCO finally drop the attempt to put constraints on world media. Meanwhile, it watches, apparently unconcerned, the continuous tightening of press controls in large parts of the globe.

The situation in Asia is particularly bad. The Chinese press, after a period of liberalization, is closing up. In Tai-

wan, after a yearlong government campaign, opposition publications have disappeared from newsstands.

In Singapore, the government has intimidated and indirectly censored the foreign press. Time magazine and The Asian Wall Street Journal were placed under severe restrictions. This was a serious matter for Western newspapers that have, or are planning, Asian editions with satellite transmission to local printing plants. Singapore had seemed an ideal alternative to Hong Kong, which reverts to Chinese control in 1997.

In Malaysia, the Parliament passed a law in December prohibiting the publishing of secrets. But the term "secrets" was not defined.

Indonesia last year expelled some foreign journalists and refused to admit others traveling with President Ronald Reagan during his visit.

Only in India, Sri Lanka, the Philippines and Thailand were the press

reasonably free. Thai newspapers are often free-wheeling. Radio and television are under government control, but even so, they report on anti-government demonstrations and present a range of alternative views.

In Manila, the press, basking in post-Marcos euphoria, erupted into 21 very independent outlets. Indeed, most of them were reluctant to support any government position. But the press in Latin America faces serious pressure. In Mexico, four journalists were murdered last year. The Nicaraguan government closed the opposition paper La Prensa as well as the independent Roman Catholic radio station.

In Chile, six newspapers and magazines were closed following an attempt on the life of President Augusto Pinochet. José Carrasco, foreign editor of a major periodical, was taken barefoot from his house the day after the attack. He was later

found murdered, the second journalist killed in Chile last year.

In Paraguay, the government stepped up its attack on the news media. Several journalists, some of them foreign, were beaten and jailed.

The post-Duvalier government in Haiti has generally eased the pressure on the press, but it requires journalists to be licensed. Eleven Latin American countries now license journalists, a concept the democracies in UNESCO have vigorously opposed. A journalist licensed by government cannot be a free agent, able to challenge the government's veracity without fear of retribution.

Still, in some Latin American countries, notably Brazil, Argentina and Colombia, the press maintains a treasured independence (although a newspaper editor in Colombia was murdered). In the English-speaking Caribbean, an independent press continues to flourish.

In the Middle East, most of the movement was restrictive. Israel con-

tinued to censor and expel Arab journalists. And Kuwait, until recently an oasis of competing views, dramatically reduced press freedoms. But in Egypt, opposition party publications increased their criticism of the government, and Mohammed Heikal, Egypt's best-known newspaperman, was able to resume his column.

In Africa, the major setback was the introduction of full censorship in South Africa. Elsewhere in Africa, the control of information remains firmly in state hands, with notable exceptions like Senegal and Nigeria. In the Soviet Union and Eastern Europe, the press continues to be severely restricted. Nevertheless, the Soviet media are clearly opening up, and in Poland and Hungary, underground publications flourish without too much obstruction from the state.

As Leonard Sussman, director of Freedom House, the New York human rights organization, puts it, "The harassment of journalists has become a creative art." Last year, he said, 39 countries banned newspaper and radio stations. In 31 countries, journalists were beaten.

Eighteen journalists were killed last year, seven more than in 1985. Forty were arrested, compared with 35 the year before, and 18 were expelled, compared with 8 the year before.

The world badly needs a watchdog to protect the cause of a free press. Tragically, UNESCO has too long been biting the hand that feeds free expression. At last, Mr. M'bow's ship has been loosened. There is a chance of new leadership that will do what should have been done long ago.

International Herald Tribune.

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IN OUR PAGES, 75 AND 50 YEARS AGO

1912: 'Healer' Is Fined

NEW YORK — Christian Scientists are indignant because Vernon Cole, one of their "healers," was convicted (on March 30) of practicing medicine without a license and fined \$100. They claim that practitioners of rival schools of healing, the Allopaths and Homeopaths, are allied to persecute him. In his defense, Mr. Cole was described by his counsel as "a good man, honest, sincere, pure-minded and a Christian gentleman." It was argued that he really healed cases which others had diagnosed as incurable. The Assistant District Attorney said: "This sect is trying to establish a special privilege for itself. . . . If a physician asserted that God cured through a method of treatment or a drug used by the physician, that would not exempt him from the necessity of having a license."

1937: Junior Vice Squad

NEW YORK — A crusade against vice and gambling began by school children at Joplin, Missouri, has resulted in indictments against the mayor, the prosecuting attorney and two police chiefs on charges of misconduct and neglect of duty. The children precipitated action with petitions to the county authorities, asking them to suppress vice. Junior church organizations joined in the battle, sending the assistant attorney general to suppress the county prosecutor, who is charged also with failing to suppress gambling and immoral houses. Returning the indictment, the grand jury said: "It is our opinion that the law enforcement officers of Jasper County are the best bunch of buck passers we have knowledge of." If convicted the officers face fines, jail and forfeiture of their offices.

كتاب الفصل

OPINION

Sad Stories About Greed, Betrayal and, Yes, Bigotry

By Tom Wicker

NEW YORK — In the eye of the storm that disturbs and threatens the United States' highly profitable television ministries, the Reverend Jerry Falwell urges their devoted followers not to "let Satan win the day."

In federal court, Robert B. Anderson, 77, whom Dwight Eisenhower once tried to promote as his successor in the White House, pleads guilty to income tax evasion and to participating in illegal operations of a Caribbean bank.

Is there a connection? One obvious link between these and stories is greed.

Within the suddenly revealed world of the TV evangelists, charges are flying that the Reverend Jimmy Swaggart is trying to take over the cash-flowing PTL enterprises of the troubled husband-and-wife preaching team of Jim and Tammy Faye Bakker. Mr. Bakker concedes paying \$115,000 — either in "blackmail," as he says, or in "a legal settlement," as others put it — to a woman with whom he had a one-night sexual stand seven years ago.

Meanwhile, another of these men of video cloth, Marvin Gorman, was pushed to contribute to the Falwell ministry, which once included the politically active Moral Majority.

That is to say nothing of the millions, largely unaccounted for, that some of the reverend rakes in every year — as if greed were not one of the least Christian of human sentiments. It can only have been greed, too, that led Mr. Anderson, a rich man in the twilight of a distinguished career — secretary of the navy, deputy secretary of defense, secretary of the Treasury — to break the law to accumulate more wealth than he really needed.

Another obvious connection is the vi-

Gantry's Successors

THERE is nothing new about the randomness of evangelism. Literature is full of it, as witness Elmer Gantry and Sadie Thompson. My father was a Methodist circuit rider in Georgia who moonlighted as a revivalist. I don't remember a time when one of the brethren was not involved in scandal, usually incorporating choir singers and communion wafers.

The difference now is scale. Television has so widened the arena that it takes \$100 million a year to ante for the game. There is not much difference in preachers, then and now. It is just that television has blessed today's crop with a megamarket, turning America into a small town with all its salacious curiosity and capacity for mixing kindness with cruelty.

— Syndicated columnist Jim Fain.

clation of trust involved in both cases — not least the faith in Mr. Anderson that President Eisenhower so often and generously expressed. And all the TV spellbinders demand of their vast audiences not just faith in God but the most elemental trust in the preachers themselves, as purveyors of truth and rectitude.

A third similarity between the scandals of televised evangelism and the Anderson confession may not be so obvious, or at least admitted — that neither God nor Satan nor professed righteousness had anything much to do with either. God did not "allow" nor Satan "force" Mr. Bakker to indulge in sex outside his marriage. Mr. Bakker decided that for himself, and never mind his broadcast piety — just as Mr. Anderson, despite his high reputation for probity, made up his own mind to defraud the government and his fellow citizens.

Mr. Anderson will pay a high price for his crimes, possibly including, even at his age, a jail term. Mr. Bakker, whose offense is not exactly unheard of, and Mrs. Bakker, who is undergoing treatment for prescription drug addiction — again, not uncommon — apparently have lost control of their lucrative PTL empire. Some of the other television preachers may have to pay civil damages, or at least heavy legal fees.

So greed, breach of faith and false pretensions will be punished in both cases. But the greatest offense in either will go unpunished, if the dazzled audience for televised religiosity retains faith in its propagators. That offense is the narrowness, exclusivity and lack of charity — the bigotry — of their message.

Not all, but enough of the TV preachers to warrant the charge, teach one true way — not just the acceptance of Jesus Christ as savior, but the one true way of worldly living, rigidly proscribed: heterosexuality only, and only within marriage; maintenance at all costs of the traditional family — father at work, mother in the kitchen, short-haired children saying "No" to drugs — regardless of how troubled and personally damaging the arrangement may be; political conservatism; the virtues of affluence; the damnation of liberals, welfare recipients, non-Christians and sometimes Catholics; denunciation of any government effort to protect the rights of individuals — particularly from religious bigotry.

The New York Times.



LETTERS TO THE EDITOR

For Now, a Thoughtful Soviet Leopard Would Be Enough

Regarding "The Time Has Come to Reject the System Itself" (March 24) by seven dissident Soviet émigrés:

Can a leopard change its spots? The seven dissidents and many others have suffered unimaginably. They rightly remind us of repression, the war in Afghanistan and the limitations of Soviet glasnost. But can Soviet leaders really "begin by discarding the ruling ideology?"

Sadly, the world is often a mean, nasty and confusing place. Ideologies serve to (over)simplify the confusion and promote clarity and energy for action. Russia before 1917 was not a developed Western democracy that Marxism-Leninism subsequently corrupted. Marxism, intended for industrialized Germany, was used by Lenin to change Russia.

Soviet ideological teaching about "class enemies" and "heroic struggles" between proletariat and bourgeoisie frightens and offends Western liberal sensitivities, including mine. Clearly the world of 1987 is not that of 1948. But many Americans have problems with notions like absolute private property rights, raw capitalism and a ruthlessly free market. It took the United States a decade to extricate itself from a war in distant Vietnam. Thousands sleep outdoors on cardboard in rich, modern American cities. Even relatively secure America has difficulty altering its behavior and criticizing its myths.

Our present democratic system is imperfect but better than anything else ever

the Aegean is made to seem to be due to this strange Greek attitude.

That presentation obliges me to remind you what international law and practice provide in the matter. According to them, islands all over the world have their own continental shelves in precisely the same way as do continents (see articles 1 and 6 of the Convention on the Continental Shelf adopted in 1958 in Geneva, and article 121 of the UN Convention on the Law of the Sea of 1982).

International practice has confirmed this rule repeatedly. That is why Turkey has never signed these major treaties and obstinately refuses to accept the Greek proposal to submit the issue to the arbitration of the World Court at The Hague.

It becomes evident that the Aegean dispute is due not to any Greek claim, but exclusively to Turkey's pretension, against law and practice, that Greek islands of the Aegean should alone in the world not have continental shelves.

CHRISTOS ROKOFLYLOS,
Ambassador of Greece,
Paris.

Poland Out Front

Thank you for giving front-page prominence to Jackson Diehl's "For Poles, Satellite TV Offers New Opening to West" (Feb. 19). For years the Western press has seemed to black out positive news about Poland. That is unfair, and it is good to see a sympathetic article up front where it is sure not to be missed.

MARGARET SZMURAK,
London.

A President Who Can Laugh Makes His Capital Healthier

By David S. Broder

WASHINGTON — On Monday night in America, television audiences watched as the NCAA final settled the supremacy of men's college basketball and the Academy Award ceremonies determined the best picture and best acting honors for the year. And last Saturday night, official Washington came as close as it ever does to settling scores.

A ritual has evolved for "settling" important matters in a psychological sense.

MEANWHILE

It happens at the Gridiron Dinner, where journalists share four hours of eating and entertainment with the people in government and politics whom they write about the other 364 days of the year.

The Gridiron Club has been around for 102 years. For the last 13 (to make my bias clear) I have enjoyed being one of its reporter-members. But it is only in the last six years that those of us who dress up in silly costumes and perform in satirical sketches have begun to recognize the serious function that this annual dinner fulfills.

The reason for this change can be stat-

ed in two words: Ronald Reagan. As the Gridiron president, James McCartney of the Knight-Ridder Newspapers, said in welcoming Mr. Reagan to his seventh straight dinner, "You know, as we do, that it is a precious thing that we can kid each other and have good fun together."

Not all presidents have understood this. Lyndon Johnson, Richard Nixon and Jimmy Carter could not forget, even for a few hours, that they despised the journalists in the room. The tension least an uncomfortable edginess to their remarks and even the blandest of our songs.

But Ronald Reagan grasped from the first that this was an occasion for celebrating the healthiness of the critical relationship that inevitably exists between press and government — and for laughing away its ugly overtones. He has captured the point so well that almost every other politician in town has got it straight.

House Speaker Jim Wright of Texas, a Democrat who suffers from a reputation for self-righteousness, confessed Saturday that he and his party could be accused of inconsistency. "For six years," he said, "we went around saying Ronald Reagan didn't know what was going on. And now when he says the same thing about myself we say he's lying."

Vice President George Bush recounted a conversation that he had with President Reagan early in the administration. "Will you support my policies whatever they are?" the president asked. "Oh, absolutely," Mr. Bush said.

"But my friends tell me you have strong convictions of your own," Mr. Reagan said. "Absolutely," Mr. Bush replied. "I have very strong convictions, but I don't always agree with them."

The master showman proved to be Mr. Reagan himself. He took on each of his supposed weaknesses — his age, his memory, his distaste for hard work, his domination by his wife, his inattention to detail — and laughed them away. If anyone thought he was bent, let alone broken, by the troubles that have visited his administration, he had a message: "Remember the flap when I said, 'We begin bombing in five minutes'? Remember when I fell asleep during my audience with the pope? Remember Bitburg? Boy, those were the good old days."

After reciting the painful prostate procedures, the cancer surgery and the assassination attempt that he has survived since coming to the presidency, he remarked with just the right tone of irony, "And I've never felt better in my life."

The wave of laughter and applause that swept the room was more than admiration for his grace and wit. It was saying: "We remember, too. And we're glad."

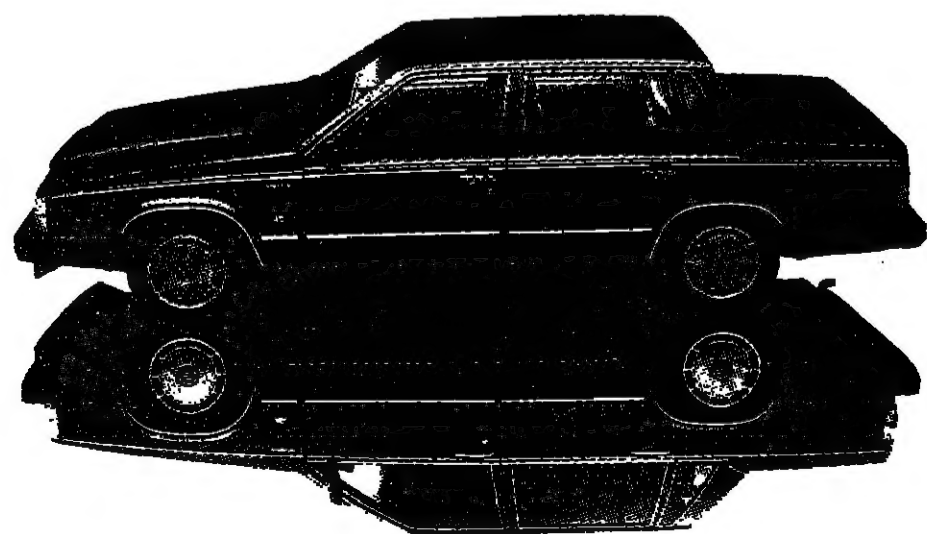
There will be time, and need, to revisit the issues of the Reagan presidency. But having one night to laugh together, and having a president who will lead the laughter, really helps.

The Washington Post.

NO SURPRISE.

There are moments in your life when the least you need is a nasty surprise. Like when you turn the key at five on a freezing February morning. Or when you hit a hairpin bend just a bit too fast. Or a stray dog seems too valuable to ignore. Or fierce braking saves your life when overtaking a truck just before the crest.

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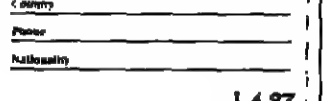
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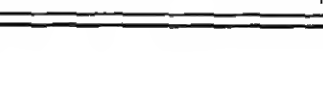
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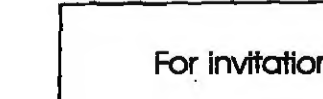
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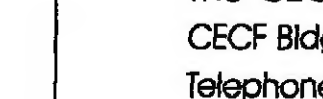
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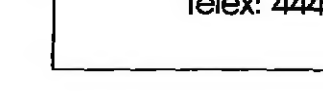
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Salvador Base Attacked; U.S. Adviser Is Killed

Compiled by Our Staff From Dispatches

EL PARAISO, El Salvador — Leftist guerrillas killed 43 soldiers and a U.S. military adviser, the first to die in Salvadoran combat, in a pre-dawn attack Tuesday on a major army base in northern El Salvador.

Military officials said seven guerrillas died in the assault. The army said 43 soldiers were killed and 35 were wounded. Among the injured was the base commander, Colonel Gilberto Rubio, who suffered scratches and burns on his face and arms and whose right hand was bandaged. The guerrillas' clandestine radio had said the commander was killed in the attack.

The El Paraiso garrison is in Chalatenango Province, about 40 miles (65 kilometers) north of San Salvador.

It is the largest garrison in the north and is considered one of the army's most important bases because of its location in an area traditionally held by rebels. The garrison is the headquarters of the 4th Infantry Brigade.

The Salvadoran military sent U.S.-supplied helicopters and attacking planes to repel the rebel force attacking the base, officials said. A soldier at the base who answered a telephone call from a San Salvador radio station said that about 800 guerrillas attacked the base at 1:30 A.M.

A U.S. Embassy spokesman confirmed that a U.S. soldier died in the attack. He said the slain American was a sergeant.

Another American adviser, Lieutenant Commander Albert Schaefer, was shot and killed on May 26, 1983, while waiting for a friend at the Central American University campus in San Salvador.

Four marine guards from the U.S. Embassy in San Salvador were killed along with two U.S. civilians in a rebel attack on an outdoor cafe in the capital on June 19, 1985.

But the sergeant killed Tuesday was the first of the 55 U.S. military advisers in El Salvador to die in combat in the seven-year war between the rebels and troops of the U.S.-backed government.

The attack appeared to be the biggest since June 1986, when the

rebels attacked the 3d Infantry Brigade in San Miguel, about 85 miles east of San Salvador.

The guerrillas, grouped under the leadership of the Farabundo Marti National Liberation Front, attacked the 4th Infantry Brigade on Dec. 30, 1983, killing more than 100 soldiers, according to armed forces figures.

The rebel front said it killed or wounded 300 soldiers, captured 200 others and seized a large amount of arms and equipment.

The news agency Salpress, which is based in Mexico City and has ties to the Salvadoran left, said the attack was the most important of several on Tuesday in different parts of the country. There was no immediate confirmation of any other rebel attacks.

(AP, UPI)



Violetta Seina, who allegedly had an affair with a Marine guard in Moscow.

Moscow Staffs Recall a Striking Brunette

By Philip Taubman

MOSCOW — The Soviet woman who lured a U.S. Marine Corps guard into a spying plot left some indelible memories at the U.S. Embassy.

Tall at about 5 feet 9 inches (1.75 meters) with shoulder-length brown hair and striking gray eyes, the woman, Violetta Seina, stood out at embassy social functions in fashionable attire, Americans and Russians who know her said Monday.

"Violetta was a presence," an American said.

She worked for the embassy from late 1984 to early 1986, first as a receptionist at Spaso House, the ambassador's residence, then as a secretary in the embassy office that clears household goods through customs for diplomats.

Miss Seina, 26, was dismissed as

part of a general cutback of Soviet employees by the United States that preceded the Soviet government's own decision to remove all Soviet employees from the embassy later in 1986.

The government routinely assigns Soviet employees as service workers to foreign embassies and foreign residents in Moscow.

The U.S. Embassy declined to provide information about Miss Seina.

After leaving the U.S. Embassy, Miss Seina worked as a secretary at the Irish Embassy, but left that job recently, an Irish diplomat said.

American investigators have said that the spy case first came to the government's attention in December when Sergeant Clayton J. Lonetree, a Marine guard at the embassy, was interviewed.

Lonetree, reported that he had had an affair with Miss Seina.

Another Marine guard, Corporal Arnold Bracy, recently told investigators that he and Sergeant Lonetree, working together, had repeatedly allowed two Soviet agents into the embassy at night and let them inspect sensitive areas, including the communications center.

According to press reports, Corporal Bracy had an affair with an embassy employee who worked as a cook.

The Soviet authorities declined to say whether Miss Seina was currently employed or where she lived.

One official said she was still associated with the Foreign Ministry's Administration for Services to the Diplomatic Corps, which serves foreign residents' needs.

Five Russians, part of the contingent that was withdrawn from the embassy in October, discussed her in interviews on Monday.

They described her as a person

who was both admired and envied because of her attractive appearance and fashionable clothing.

The Russians and several Americans said that Miss Seina had attended two Marine Corps balls, an annual tradition at Spaso House, and had been invited periodically to Marine parties at the embassy.

"I remember her well at one of the balls, standing at the edge of the dance floor in a lovely dress, looking like a model," an American diplomat said.

Sergeant Lonetree, according to the investigation documents, said he first met Miss Seina by chance in a subway station in September 1985. A month later, another chance meeting at the same station led to an extended conversation, he said.

He said that Miss Seina "said she was going home but continued to talk with me after missing her train stop."

"We got off together at a later stop and began a long walk together, talking about various subjects, including American movies, books, food, likes and dislikes, etc.," the investigation record said.

"She asked me questions about my family background, life in America and how I liked living in Moscow. We walked and talked for about two hours, after which she went home and I returned to the embassy. We agreed to see each other again. I suggested to her that she should try to come to some of the parties that are held in the embassy or other official establishments."

Sergeant Lonetree said he saw her again in November at a Marine Corps ball.

It is generally assumed among Western residents that the Soviet employees assigned to them by the Foreign Ministry are expected to make reports about their work.

Until October, the U.S. Embassy employed nearly 200 Soviet workers for a variety of chores, including driving, translating, cooking and booking travel and entertainment tickets.

The embassy allowed them access only to offices that were not involved in secret work, but some of the Russians such as Miss Seina were free to mingle with Americans at work and at social functions.

Although the Marine guards have been discouraged from mixing with Russians, the embassy is said to have made a distinction between mixing with Soviet staff members at the embassy, which was permitted, and mixing with Russians outside the embassy.

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GLASGOW: Closing of Caterpillar Factory Clouds the Future for Workers

(Continued from Page 1)

A Brussels-based spokesman for Caterpillar's European operations.

Such explanations are little comfort to the protesting workers of Glasgow.

"When Caterpillar told us last September that it was investing 62 million in the plant, I thought my future was secure," said Mr. Shiels, who is among the workers occupying the plant.

Mr. Shiels, 44, earns £10,000 a year and has spent the last 24 years working in the Uddington factory, Caterpillar's largest manufacturing site in Britain.

"Now, I've lost everything," he said. "The building society is simply going to take back the mortgage loan. I just feel let down." Mr. Shiels paid £35,000 for his home.

Caterpillar, the largest construction-machinery manufacturer in the world, had overestimated demand for tractors when it announced its ambitious plans — to modernize the tractor assembly facility in Uddington, said Mr. Niemi, the company spokesman.

Those plans raised hopes of the plant's workers, who earlier had seen Caterpillar whittle down production of the D6H tractors at the site to current levels of 1.5 vehicles per day from peak levels of 10 per day in the 1970s.

Inside the cavernous plant, formerly Britain's largest manufacturing facility under one roof, not much appears to have moved since the occupation began.

Two tractors stand on the assembly track, mechanical robots from Italy reveal unattached wiring, scores of IBM personal computers sit atop unoccupied desks, candy and coffee machines blink "empty."

"Workers stand around a pool table in the lounge. 'I think management is in for quite a shock when they come back here to see the plant the same as it was when they left it,' said Mr. Shiels, with a tinge of pride in his voice. "All they have to do is push the 'go' button, and we're in business."

The workers, who occupy the plant in shifts of 200, demand that Caterpillar leave the plant intact with its high-technology equipment, enabling the site to continue producing spare parts, if not the tractors themselves. The other alternative being urged is that Caterpillar sell the factory whole to another construction-machinery maker.

"The company has said it is prepared to sell the land, the building and some of the equipment in the Uddington plant if a buyer can be found," said a company spokesman, David Crobie, in Glasgow, "but we're unwilling to sell the plant lock, stock and barrel. There are no prospective buyers that I'm aware of."

Caterpillar, which has rejected requests for talks by the workers while the occupation continues, is

expected to seek court-ordered enforcement of the injunction to end the illegal occupation.

In response to the workers' refusal to end their sit-in, Caterpillar served notice last week that all hourly-wage workers occupying the plant have been dismissed as of May 11, with no special severance pay or aid in seeking new jobs as promised at the time of the January announcement.

"This leaves Caterpillar with a damn bad reputation, and I'm afraid this is going to rub off on other American companies," said Norman Willis, general secretary of Britain's Trades Union Congress.

"Now nobody is going to start saying we're not for U.S. or other foreign investment," the TUC director said in an interview following a rally here Saturday in support of the workers' sit-in, "but we've got a lot of suspicion building up."

When what we need is a lot more trust."

More than 41 percent of U.S. direct investment in the European Community is in Britain, and there is almost twice as much Japanese investment in Britain than in any other European country, according to British Department of Trade and Industry.

While the British government is soliciting increased foreign investment throughout the country, the Caterpillar move has raised concern in official circles. Prime Minister Margaret Thatcher is reported to have written the president of Caterpillar, Peter P. Donis, urging him to reverse the decision to end Glasgow operations.

A spokesman for Malcolm Rifkind, the British government's secretary of state for Scotland, said that Mr. Rifkind has been "embarrassed" by Caterpillar's sudden decision to shut the plant.

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MOSCOW: Arms Gap Is Cited

(Continued from Page 1)

that the reforms, and Mr. Gorbachev's expressed hopes for more "openness" in Soviet society, "are in the interest not only of the people of the Soviet Union, but of the wider world."

It is in the interests of the West, Mrs. Thatcher said, for the Soviet Union to have a "higher standard of living, based on incentives, and increased 'democratization.'"

That sentiment was echoed Tuesday by the dissident Soviet physicist, Andrei D. Sakharov, after a private lunch at the British Embassy with Mrs. Thatcher. Soviet reforms, Mr. Sakharov said, were important not only for this country, "A more democratic, more open country is safer for the world as a whole," he said.

In his own dinner speech Monday night, however, Mr. Gorbachev warned that it was a "delusion" to think the reforms were an admission that capitalism was a stronger system than socialism.

Both British and Soviet spokesmen said that the talks between the two leaders often were combative, and a British official said that voices had been raised. "We both believe in frank speaking," Mrs. Thatcher said Tuesday, "and we had plenty of that."

Mrs. Thatcher has repeatedly emphasized that she did not come to Moscow to negotiate arms control issues with Mr. Gorbachev, but rather to listen and to better outline Western positions, particularly those of Western Europe.

Much of their conversation reportedly focused on what Mrs. Thatcher identified as a joint desire for early completion of an agreement on medium-range nuclear forces in Europe.

In Tuesday's news conference, Mrs. Thatcher said that the West had to assure itself, through adequate verification procedures, that the Soviet Union would abide by

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France Expands Aid, Diplomacy in South Pacific

By Michael Richardson
International Herald Tribune

NOUMEA, New Caledonia — France, facing opposition in the South Pacific to its nuclear testing program and its efforts to retain control of strategically important islands, is expanding its aid programs and diplomatic presence in the region.

Officials here and in Paris say that the South Pacific territories play a key part in sustaining France's independent nuclear deterrent and role as a world power.

The territories are part of a global chain of French possessions that would provide tracking, communication and recovery bases for an ambitious satellite and space vehicle program, for military and civilian uses, beginning in the early 1990s.

The officials also argued that a French presence was essential to maintain regional stability and prevent encroachment by the Soviet Union and Libya in the South Pacific, an area that has been a sphere of Western influence since the end of World War II.

U.S. and British officials have said privately that French aid to its South Pacific territories is irreplaceable and that a long-term French presence in the region is in the interests of the Western alliance.

However, analysts said they did not think France's new policy of expanding its aid and diplomatic contacts in the South Pacific would quickly break down regional hostility.

The waters surrounding the South Pacific territories, and those of other French possessions, are considered by scientists to be rich in fisheries and undersea minerals.

Exclusive economic zones surrounding the three French territories in the South Pacific — New Caledonia, the Wallis and Futuna Islands, and Polynesia — cover 2.7 million square miles (7 million square kilometers) of ocean and seabed.

These zones, when added to those of the French territories in the Indian Ocean and the Carib-

an, put France among the world leaders in offshore area claimed.

Amid pressure from separatist groups and regional governments opposed to nuclear testing, France has intensified its diplomacy.

Gaston Flosse, secretary of state for the South Pacific in the conservative government of Prime Minister Jacques Chirac, arrived in Western Samoa late last week.

Officials said that he would visit Pacific island capitals regularly from Paris to meet leaders and explain policies.

Mr. Flosse was the head of government in French Polynesia until January when he accepted the new post.

He said recently that he wanted to correct the image of France as an "arrogant power" and provide more aid to smaller island nations in the Pacific.

French aid efforts also are expanding. Later this year in Tahiti, the main island in French Polynesia, and in Noumea next year, France will open a University of the South Pacific. It will offer admission to non-French speaking students from the region.

France also has offered to make its technical and scientific skills in tropical agriculture, oceanography and other areas widely available.

Indian Says Gravitation Led to Launch Site Errors

Agence France-Press

NEW DELHI — India's main space launching site, where a rocket carrying a satellite crashed shortly after being launched March 24, is unsuitable because of major gravitational variations, a leading scientist was reported as saying Tuesday.

Scientists have not determined the reason for the crash, but Dr. Ram S. Srivastava told the United Nations of India that the gravitational anomaly had caused other rockets launched from the Sriharikota center in southern India to deviate from their paths. The site, he said, is in the zone of "the greatest gravitational anomaly in the world."

Civil and military spending by the French government in Polynesia, New Caledonia and Wallis and Futuna this year is estimated to be worth more than \$1 billion.

Officials said France had recently increased its aid to multilateral agencies working in the region, including the South Pacific Commission based in Noumea.

They said that Mr. Flosse had a special fund worth more than \$3 million this year that had been used to provide emergency aid to the Solomon Islands, Cook Islands and Vanuatu after they were devastated by cyclones.

French control of New Caledonia is being challenged by an independence party that draws most of its support from indigenous Melanesian Kanaks.

However, the Kanaks are outnumbered by Europeans and settlers from other parts of the South Pacific and Southeast Asia who want the territory to remain French.

Last week, Yeiwene Yeiwene, a separatist leader in New Caledonia, accused France of using large-scale subsidies to its Pacific territories to "buy" local support.

He said that the independence movements in New Caledonia and Polynesia were in "increasing contact" and had agreed to work together to help each other create independent, nuclear-free countries.

In French Polynesia, indigenous Polynesians form about 70 percent of the population.

But Mr. Flosse said that most people in Polynesia were opposed to independence and the removal of the nuclear test site at Mururoa atoll because it would cause a drastic fall in living standards.

Past attempts to form a united front by several pro-independence parties in French Polynesia have foundered on differences of policy and personality.

France's nuclear tests and its handling of New Caledonia have been attacked by Australia, New Zealand and the 11 independent or self-governing island nations in the South Pacific Forum.

The 11 are Papua New Guinea, the Solomon Islands, Vanuatu, Fiji, Nauru, Tonga, Western Samoa, Kiribati, Tuvalu, Niue and the Cook Islands.

They have asserted that by continuing to test nuclear weapons in the Pacific and withholding independence from New Caledonia, France was contributing to regional unrest and creating opportunities for outside interference.

At a meeting in Wellington, New

Zealand, last month, ministers from the forum reaffirmed their view that "independence for New Caledonia is inevitable and desirable" and said they would seek talks with France on the issue.

The French defense minister, Andre Giraud, said last month that France intended to continue underground nuclear tests at Mururoa despite regional opposition because the tests were essential for maintaining an independent nuclear deterrent.



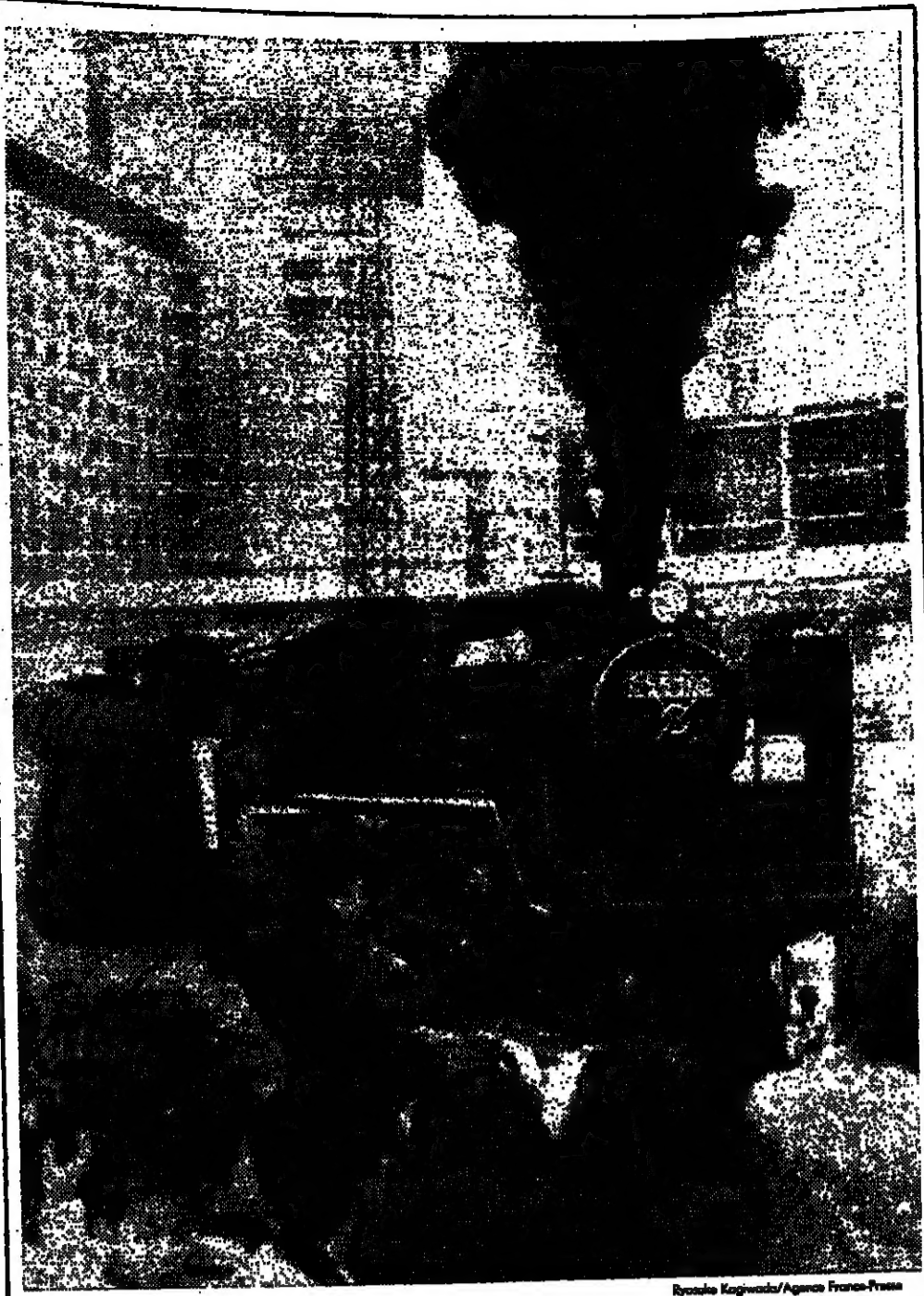
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JAPANESE RAIL ERA ENDS — One of the last trains to be operated by Japan National Railways, founded 114 years ago, making its run Tuesday in Tokyo. Passengers took advantage of low-price tickets as the government system neared shutdown, \$250 billion in debt. Starting Wednesday, six private companies are to run the trains.

Hong Kong Paper Reports China Removed Reform-Minded Security Chief

BEIJING — The Public Security Ministry declined on Tuesday to comment on a Hong Kong newspaper report that its minister had been demoted.

The pro-Beijing Hong Kong newspaper Wen Wei Po said Monday that Roan Changwen, 53, had been moved to the State Scientific Commission after only 18 months as public security minister.

Mr. Roan has been outspoken against corruption in the police force and has pledged greater openness in police affairs.

If confirmed, it would be the biggest personnel change in Chinese politics since the removal of Hu Yaobang from the top Communist Party post in January.

"I do not have the authority to confirm this piece of information," a ministry spokesman said of the reported removal of Mr. Roan.

The spokesman added, "According to China's Constitution, a cadre of ministerial rank should be appointed and dismissed at the suggestion of the prime minister as well as approved by the National People's Congress, but so far the NPC has not made such a decision."

The National People's Congress is China's nominal parliament. "A minority of officers, forgetting they must serve the people, are arrogant in their work, corrupt, re-

sort to torture during interrogation or bend the law for the benefit of relatives and friends," the Chinese press quoted the spokesman as saying.

Also Tuesday, Prime Minister Zhao Ziyang told observers to the National People's Congress from Hong Kong and Macao that a drive against "bourgeois liberalism" or Western political ideas, would not develop into a major political movement.

"There is no mass support or market today for leftist policies in China, because many of us have been victims of them," he said, in a reference to the Cultural Revolution of 1966-1976, in which tens of thousands were persecuted.

Plot on Mao Mausoleum
A Hong Kong magazine said Tuesday that a Chinese has been arrested for trying to blow up the mausoleum of Mao Zedong in Bei-

jing. Reuters reported from Hong Kong.

Zheng Ming, an independent monthly, quoted Chinese public security officials as saying the man was arrested in January after he acted suspiciously while waiting to see Mao's crystal coffin.

It said in its April issue that security officials later found 10 grenades in the man's attaché case. The magazine did not identify the man.

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ARTS / LEISURE

Eavesdropping on the Lion of Judah

By Robert Cushman

International Herald Tribune

LONDON — We do not see many new plays about kings; at least not about contemporary kings. Hardly surprising, since there are so few to write about. But it leaves a hole in modern drama. It is good to have a protagonist whose

THE LONDON STAGE

fate is bound to the fate of a nation, and who goes through life with that responsibility. He does not even have to be a good king: If he falls the most rabid republican will be interested and may even be moved. There is built-in pathos when a man with a mission is forced to relinquish it. Richard II wanted to sit on the ground and tell sad stories of the death of kings. He knew, in every sense, what he was talking about.

At the Royal Court Upstairs we are given an unusually strong dose of modern royalty in "The Emperor." This is billed as "by Ryszard Kucusinski." In fact Kucusinski wrote a book, a collage of eyewitness memories of the long reign of Haile Selassie of Ethiopia, and these have been reassembled for the stage by the playwright Michael Hastings and the director Jonathan Miller and distributed among five actors.

None of them "plays" Haile Selassie, though each of them gets a turn at speaking his reported words. The tone of Miller's production is, for most of its length, coolly comic. The imperial regime is depicted as government-by-informer, the set consists mainly of doors, we are constantly aware of everybody eavesdropping on everybody else. A speaking actor will have another actor leaning curiously on his shoulder, sometimes they all threaten to fall over like a pack of dominoes.

All this is wittily done, and when it threatens to become monotonous Miller usually has something up his sleeve. We are told that Addis Ababa became a city full of ears, and we expect to catch glimpses of them behind the doors. Instead we find ourselves gazing at a pair of feet.

But the show only moves into top gear in its last sequences. First there is a satiric treatment of the court's consternation when the world's journalists fly in to draw attention to the famine: How dare they? Then, after the emperor's deposition, it becomes extraordinary. The cast includes a severely disabled actor, Nabil Shaban, his legs no more than stumps. We see him as the diminutive Lion of Judah, being read to from the Bible and repeating the more encouraging

phrases with a sort of sepulchral hopefulness. He still believes in himself, and because of this the dignity of monarchy remains about him. It may be absurd, but the theme of the fall from high places remains as potent as ever.

On the Royal Court's main stage, Caryl Churchill's "Serious Money" deals with another ancient subject: greed. Its setting is the City of London and the financial universe of which it is the center. The time is now, with the old race of gentleman bankers and stockbrokers giving way to a new breed of young self-made millionaires with international connections. The message, that they are ruthless and corrupt, is not going to surprise anybody.

The play is the latest modern attempt to revivify a 17th-century form that now seems peculiarly apposite and appealing — the City comedy, sardonic and action-packed. These plays were written in prose at a time when the conventional medium was verse. Churchill turns the trick in reverse; in an age of prose she writes in an assortment of verse forms, with rhyming couplets predominating. These, unless handled by a master, are a diabolical trap: The author is forced to put in unnecessary stuff for the sake of the rhyme. That is what happens here, constantly, and it makes for a

flaccid evening. What with the lameness of the dialogue, the extreme complication of the plot, and the frantic doubling of the actors, I gave up trying to follow.

I did register a certain energy, and a high frenzy rate, but from Churchill (who wrote the innovative "Cloud Nine" and "Top Girls") and from her director, Max Stafford-Clark, here below his usual standard of lucidity, that is not enough. There is amiable work from Alfred Molina (a bit fuzzy at the last preview) as a visiting American fixer, and a good display of predatory female aggression, 1980s style, from Lesley Manville. But the acquisitive fury that the play condemns and celebrates is only captured in one performance, by the ferret-faced Gary Oldman — and in blunt scabrous song lyrics by Ian Dury — that makes a wild conclusion to the play's first act.

The main fault of "Serious Money" is shared by the off-Broadway musical "March of the Falsettos," at the Albery: Its words are not up to the task that is set for them. This is the story of Marvin, his divorced wife, their young son, Marvin's male lover, and the wife's psychiatrist and eventual second husband (How Manhattan, I think we are meant to ask, can you get?). It is all about relationships, ab-

struse things that need to be made complete. That is the task of song lyrics always, and William Finn's, though by no means terrible, are not up to the job. A show that needs teeth is all gums.

The production comes from the Library Theatre in Manchester, in recent years a hotbed of American musicals, including the British premieres of three shows by Stephen Sondheim. It is a stylish job, style here meaning perspex sets and (from Roger Haines) nifty and logical direction. The singing is first rate, not a word lost or a note muffed in a tricky score, and there are two prime performances. Martin Smith's Marvin, flesh on a dramatic skeleton, and Barry James's Mendel, the psychiatrist, vocally and physically twitchier than any of his patients. James, who was Seymour in London's "Little Shop of Horrors," is cornering the market in musical nebbishes, though Mendel is a genius-chump where Seymour was just a chump's chump.

Odd: The show, which seems more intelligent than "La Cage aux Folles" and would certainly claim to be more liberated, is actually squarer. Its homosexual ménage breaks up, and all ends happily when Jason (Marvin Ellis), devoted to chess, declares pubescently for girls.



Bernstein's "A Quiet Place," with (from left) Ronald Pries, Catherine Swanson, Monte Jaffe, received a 20-minute ovation.

'A Quiet Place' In Bielefeld

By James Helme Sutcliffe

BIELEFELD, West Germany — Bielefeld's City Theatre, one of the most adventurous in West Germany, has done it again. With both Munich's and Hamburg's opera houses closed for part of the season for repairs to the stage machinery, the resignation of Hamburg's musical director because the orchestra felt itself incapable of playing Luigi Nono's new "Prometheus" in the allotted rehearsal time, and West Berlin's having staged but a single new opera production since the season began last September, Bielefeld brought out its second novelty in as many months, the ninth in four seasons. Its last two 20th-century rediscoveries — "Transatlantic" and "Neues vom Tage" — are still playing to packed houses.

The most recent opening night was one with a difference. Whereas all the other rediscoveries have been of neglected operas old and new, Leonard Bernstein's "A Quiet Place" — its first German production and the first in any language but English — is a special case. Still new, it was panned by critics in Houston (1983), Milan and Washington (1984), and received with some skepticism in Vienna (1986) for its sentimentality, extreme length, repetitiveness and apparent rummaging around in unsavory private details, thus invoking the atmosphere of the confessional. It has undergone three revisions.

Bernstein's biting little one-act satire on the false values of American suburbia, "Trouble in Tahiti" (1950), was first performed as a prologue (Houston), then as an "intermezzo" within the larger work, itself a very long retrospective look at the estrangement beginning in "Tahiti" (Milan), then integrated completely into Act 2 (Vienna). That version, staged by its librettist Stephen Wadsworth and conducted by the composer, will be out on Deutsche Grammophon records at the end of the year.

Bielefeld's adventurous team of John Dew (director) and Gottfried Pilz (designer), using a superb German translation by Paul Esterhazy that avoided much of the maudlin phraseology of the original, went one drastic step further and cut half an hour of the music, sacrificing a fine Act 1 trio because the weak one in Act 3 had to go, and balance had to be maintained, then dividing the work in the middle to create two acts with two scenes each, each divided by Bernstein's impressive Mahlerian orchestral interludes.

In Washington D.C. in July 1984, the audience was stupefied by the length of the piece and embarrassed by the heart-on-sleeve self-analysis, first sitting, then leaving in silence. In Bielefeld the audience stayed and stayed to applaud, bringing out the performers 15 times to award them with a 20-minute ovation, thoroughly deserved by the cast and the conductor, Rainer Koch. The American baritone Monte Jaffe sang the role of the mature Sam, who has just lost his wife Dinah (Krystina Mchalewicz) in a car accident, just as the librettist had lost his sister. The young Sam, was played ably by a newcomer, Michael Vier, whose macho aria about the sporty qualities that Americans think make a man a man was followed by a naked shower in a steamy bathroom, quite a departure for the staid art form of opera. Catherine Swanson had just been engaged in Bielefeld and found herself making her debut in a bit of perfect casting. Sam's self-assured but sweet daughter Dede, Victor Ramirez touchingly portrayed Sam's homosexual son Junior, whose former lover Francois — superbly sung by Ronald Pries — is now Dede's husband.

Dew's moving staging of what could be embarrassingly personal scenes on stage achieved that wondrous quality, believability in the love-hungry plights of the protagonists, via neither compromise in the explicit scenes nor off-putting detail. He obviously believes in Bernstein's opera strongly and sees it as a continuation, even a resolution, of the Richard Strauss-Hugo von Hoffmannsthal "Die Frau ohne Schatten," which he had staged in Bielefeld earlier this year as a modern drama of marital alienation. Gottfried Pilz's neutral gray single set — movable box wall panels with photos of the four family members against the rolling fields of a suburban environment — was put to touching use at the end of the opera. Dinah, observing the reconciliation of her bereaved family from beyond, stepped down.

If "A Quiet Place" has finally found its most valid theatrical form in the Bielefeld production, then it will be a continuation of Bernstein's relationship to the theater. After all, "Candide" took almost 30 years to reach its final form — the way it is currently performed at the New York City Opera.

James Helme Sutcliffe is a Berlin-based critic and musician.

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The Shanghai harbor.

SHANGHAI, with a population of 12.17 million, lies on the mouth of the fertile Yangtze Delta in mid-China, facing the Pacific Ocean. It has long been a door to the interior of China, and in particular the long Yangtze valley. For generations it was one of the busiest and most colorful ports in the world, and that is the eminence to which it now aspires once again.

Over 100 years ago, foreign businessmen began setting up in Shanghai, and through the years a modern commercial city was built up on the harbor side (the famous "Bund"). Shanghai now has over 8,500 industrial enterprises, comprising many industrial sectors, the major ones being metallurgy, chemicals, machinery, shipbuilding, electronics, instruments and meters, textiles, light industry, medicines, handicrafts, etc. Its light and textile industries, and its machinery industry, are of long standing.

In recent years, new industrial products include metallurgical materials, high polymer compounds, electronic computers, precision meters and instruments, precision machine tools and petrochemicals. Gross industrial output value for 1985

was over 82 billion yuan (U.S. \$22 billion).

Being one of China's largest industrial bases, Shanghai now maintains closer contact with the international market, imports large quantities of raw materials from abroad, and exports about one-third of its processed industrial goods to those overseas markets.

Taken as a whole, the Shanghai area is a giant economy on its own. In the surrounding ambit of cities and towns, an additional 3,000 factories employ over 900,000 workers and staff. Here the main industries are machinery, building materials, garments, foodstuffs, pharmaceuticals, instruments, and household electric appliances. In all, these trades turn out over 1,000 varieties of products, more than 300 being marketed abroad. Local handicrafts such as lace, embroidery and straw-ware are among them.

Shanghai has a good foundation in education and culture, and a high concentration of scientific and technical personnel. The city has 45 colleges and universities with about 50,000 full-time teachers and 90,000 students. It also has over 800 research units for various

branches of natural science representing 350,000 professionals. There are 170,000 professionals in the field of social science research. About 800,000 adults study in special colleges and middle schools.

Shanghai's harbor is the largest in China, handling more than 100 million tons of cargo annually (among the top eight harbors in the world), with about 20,000 coastal freighters and 2,000 ocean freighters calling annually. The harbor facilities are being modernized. Two railway trunk-lines, Shanghai-Nanjing and Shanghai-Hangzhou, link the city with the network of lines stretching all over the country. An international railway joint operation enables railway transportation from Shanghai to reach 18 countries in Europe and Asia.

Shanghai's Hongqiao Airport is one of the largest in China, with 38 domestic routes to all the provinces, municipalities and autonomous regions, and international flights to Tokyo, Nagasaki, Osaka, Hong Kong, San Francisco, New York, etc. China's CAAC airline, Japan Air Lines, Northwest Orient and Cathay Pacific are among the lines serving the rest of the world.

Medicines Familiar and Exotic

A catalog from the Shanghai branch of China's National Medicines and Health Products Corporation is more colorful than its Western counterpart. In addition to the drugs and tablets and ointments with which the West is so familiar, one finds a whole range of Chinese medicines from far more ancient pharmacopoeias, such as "Fine ginseng," "Styrax" and "Sanhuo Anti-adiposis Tea."

But the Shanghai trading branch, ironically, is very new. It was formed only in early 1986, when the medicine section of the chemicals trading corporation was separated for better administrative efficiency.

Mr. Shu Xianghua, deputy general manager, says jovially that "the Shanghai branch is number one in the country."

Shanghai branch has top quality!"

He calls on more than 30 factories to provide medicinal and pharmaceutical products, and if the Chinese herbs, surgical instruments, glassware and bandages are included, then he deals with over 70 factories in the Shanghai area. Products are exported to more than 100 countries, and different products have different markets: the United States, Japan and West Germany are high on the list for the Western pharmaceuticals, while the Chinese medicines go mainly to South and Southeast Asia.

Most raw materials come from China's well-developed chemical industries, but the herbs come from many distant

provinces — the mountains and plains of far Cathay.

Export value in 1986 was over U.S. \$130 million, up 15 percent over 1985 (when the branch was part of the chemical corporation). Shu supports measures to send staff abroad, and to invite experts to Shanghai to upgrade the production. He is eager to learn about the latest techniques and designs of medical instruments and to invest in high-tech equipment.

As for the exotic Chinese medicines, Shu is making great efforts to raise exports to the United States and Australia. "Some of the population there believe in Chinese medicines and herbs as being part of the back-to-nature lifestyle," he says. "There is a big future in herbal medicines, I think."

Machinery Is the Key

When a policy of modernization is laid down, as China has done, it requires two vital elements — skilled workers and improved machines. Hence the key importance of China's National Machinery and Equipment Import and Export Corporation. Among the many branches of the Corporation, Shanghai's stands supreme.

The city has had long experience in the development of machinery and manufacture, and has the technical back-up. The Machinery and Equipment Shanghai branch has several tasks: it is a heavy importer as well as exporter, and it serves not only the Shanghai area but also acts as the consultant and importer for other parts of China. When joint investment ventures are established between Chinese institutions and foreign partners — for hotels in Guangdong, a nuclear plant in Quishan, or a port in Shandong, for instance — the Shanghai branch is often brought in to arrange for equipment and technical services.

Mr. Jiang Yiping, general manager of the branch, therefore presides over a business of some complexity and clout. The factories and offices allied with the branch in Shanghai employ some 360,000 staff. The variety of activities may be gauged from the following examples of its works:

It has developed many forms of transaction and cooperation, such as processing from clients' drawings and samples, assembly using customers' components, manufacturing with customers' materials, joint venture and technical transfer negotiation, etc.

The branch has concluded many arrangements with producers abroad to manufacture new equipment, and on occasion has improved on the original model. For example, the Shanghai Welding Machine Works imported spot welding machines from a French company, and since then has been producing welders in batches. Compared with the old prod-

ucts, the new welder is only one-quarter the weight, with less energy consumption and higher efficiency.

The Shanghai branch is active in compensation trade and barter deals. Examples include the sending of trade groups to West Africa to negotiate agricultural machinery and machine tools on a barter agreement in 1985-86, after which an export contract was signed amounting to over \$1.35 million.

In Colombia, the branch arranged a barter deal with the cooperation of the China National Native Produce and Animal By-Products Corporation. Under its terms the Shanghai Machinery Branch exports "Shanghai-50" tractors to Colombia in return for cocoa beans. In this manner, the Corporations have more opportunities for flexible trades with the developed countries, and use barter with the developing countries. Further successes in this field are expected, says the Shanghai management.



Street Fashion: Bright and Varied

Shanghai has long been noted for its clothing industry, although that industry has been vastly expanded and diversified in recent years.

A competition for children's dresses designed by parents was held in Shanghai in May 1984. The response was enthusiastic, and the child "models" performed gracefully, watched by the proud audience of parents. The event was, however, more than just a pleasant social gathering; it indicated the skills and taste of the local people. A Shanghai fashion show group was accorded a warm welcome when it traveled to Hong Kong in August that year — again, the little models, with swept-back hair, performed like troupers along the catwalk.

China closely watches the markets for fashion trends, such as in designer casuals and sportswear. The city also has an increasing awareness of fashion sense itself, witnessed by the many fashion shops in the streets, with all the comple-

mentary services like hairdressing establishments, etc.

In this context, the Shanghai Garment Branch of the China National Textiles Import and Export Corporation offers a wide range of woven and knitted garments, as well as gloves, swimwear, rainwear and sportswear. The range of fabrics used in the hundreds of factories producing these products is also wide — wool, cotton, silk, polyesters, acrylics, nylon, mohair and blended materials. But the usual catalog of shirts, suits, frocks, coats, jackets and pajamas does not exhaust the list in Shanghai. The Garment Branch also offers knitting yarns in wool and acrylics, kitchen clothes, sleeping bags, and fasteners and tapes.

Garments are among China's most buoyant exports. In a recent twelve-month period the rate of increase in value has been over 50 percent. Exports to Hong Kong alone rose by 57 percent last year, having almost doubled since 1984.

The Fabric of History

Spinning and weaving of fabrics have always been at the forefront of China's contribution to human economic development over the ages. When Shanghai became a modernized port city last century, it was inevitable that it should become one of the world's great textile factory cities.

There are nearly 20,000 textile enterprises in all of China, and a large proportion of these are in Shanghai. Textile processing plants account for nearly 5 percent of the nation's total number of factories, and the value of textile production accounts for about 16 percent of China's total industrial output value.

Textile exports amount to U.S. \$17 billion and more, and have been rising steeply in recent years, accounting for nearly 20 percent of total export value. Since 1979 the textile industry's output value has increased by an average of about 15 percent a year.

Cloth rationing, which was in force for 30 years, has been abolished. The one big problem

that once confronted the market was not a shortage of cloth but the lack of a great variety of superior quality fabrics to meet consumers' demands. This has compelled the textile industry to increase the output of better materials.

The Shanghai Branch of the China National Textiles Import and Export Corporation, naturally enough, plays a leading part in the development of fabrics of better quality and greater variety. The Branch offers a great range of fabrics of all kinds — natural and synthetic fiber and blends and of every weight. Yarns, wovens and knitted fabrics (grey, bleached, dyed or printed) are also offered by the Branch, which has over 30 years of trading experience, and has relations with over 130 countries and regions round the world.

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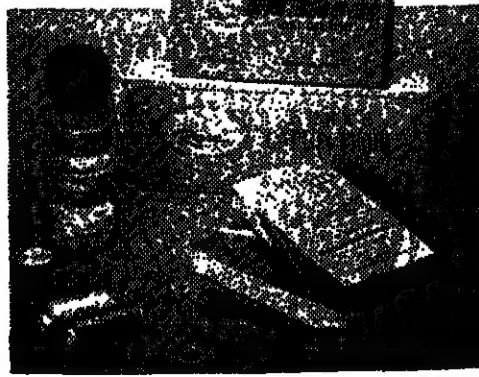
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Cozy Home Textiles

The phrase "home textiles" has a cozy sound, and scarcely one which would be expected in an official title, but that is the English translation of one of China's trading corporations, and it is quite accurate. The giant "China National Textiles Import and Export Corporation" became too cumbersome, and so in 1984 the garments section was subdivided into three, looking after sewn garments, knitwear and — home textiles.

What are they? Any fiber products which are used in the home, not on the human body or in industry. The largest group of products is bed linen (sheets, quilts, coverlets, pillows and blankets) and the second biggest is bathroom articles (towels, bathrobes, etc.). Then come curtains and furnishing fabrics, mats and rugs, braids and tapes. Incidentally, two human-body products are produced — diapers (because of

the quilting experience) and shoelaces (because they are braids).

Shanghai's Home Textiles Branch is therefore a huge trader. Mr. Tong Jian Hua, general manager, points out that in 1985, the branch sold U.S. \$125 million worth of products, and that this rose to \$153 million last year, a 22 percent increase. The largest market is the United States, followed by the Common Market countries and Japan. Hong Kong and the Middle East are also good buyers, but the Middle Eastern market has shrunk somewhat with the fall in oil income. In Western Europe the leading buyers are West Germany, the United Kingdom, Italy and the Scandinavian countries.

Each product group has a separate network of factories, and given the range of items, it is not surprising to learn the branch draws on approximately

300 factories altogether for its supplies. Quality control is, of course, vital, and the branch engages an army of supervisors and inspectors. Tong says: "In today's competitive world market for textiles goods, only good-quality merchandise is profitable, and we have to go more and more upmarket. I think we enjoy a good reputation with buyers on quality and delivery."

The branch does some heavy marketing campaigns, as might be expected. It participates in the big trade fairs in Europe and America, and scores of foreign clients arrive in Shanghai every month.

Future prospects are bright, Tong concludes. "Business is growing — we plan more investment and technological improvements. Our world market share is not big, so we have plenty of room for growth," he says optimistically.

Wonderland of Toys

An Aladdin's cave — that is the impression any visitor will get on stepping into the showrooms of the Shanghai Toys Import and Export Corporation. China took advantage of the buoyancy of the world's toy market by setting up this special corporation in 1980. It combines 37 factories and trading corporations, employing 10,000 people — and that does not include various factory units that supply parts for the products.

Trading value in 1986 was U.S. \$50 million, 25 percent higher than 1985, and the corporation now exports to over 100 countries. The biggest markets are in Europe — West Germany, Italy, France, Britain — and the United States, but new markets are evolving in Latin America, says Mr. Huang Zhi Hao, sales director.

Two of the factories specialize in making many thousands of molds, and anyone in the toy trade knows that it's the molds that count.

For Shanghai, the big sellers are the plush toys, dolls and stuffed animals. "Our largest single order," says Huang, "was U.S. \$100,000 for one design of one animal for the United States. Since the establishment of the factory six years ago we have produced more than 660 types of plush toys." In the 12-

year Chinese zodiac this is the Year of the Rabbit — so, predictably, Shanghai has been producing furry rabbits by the dozens, and Huang can promise short delivery times on plush toys ("Sixty days from order date!").

The outlook for the toy trade is very bright in Huang's view. "People are having smaller families in many countries, including China, and the parents tend to spend more money on the children." To meet the demand, his corporation offers a fantastic variety of playthings. Just one glance around the showrooms reveals dartboards, jump ropes, ten-pin games, toy trains, building blocks, dolls' tea sets, drums, puzzles, accordions, marbles, beach balloons, toy cars, airplanes, guns, baby carriages, bicycles, teddy bears and (of course) pandas...

"Our factories are working to full capacity," says Huang, "and so we must expand production." Has he noted any new trends in toys lately? "Yes, the market has changed from electronic toys towards friction toys, because friction toys are cheaper. And we are developing a new product — plush toys with mechanical workings inside." His face lights up — just like a child receiving one of his own gifts.

Biggest Chemical Producer

Shanghai has many "biggest" in China. One is the Shanghai branch of the China National Chemicals Import and Export Corporation, which leads the country in output of chemicals and — perhaps an unexpected product for its list — heavy vehicle tires. But since the chemicals are mainly petroleum derivatives, it is logical that tires made chiefly of synthetic rubber should be part of its production schedule.

At the office in mid-city, Mr. Zhang Shu Shen and Mr. Wu Bai Xing, top executives of the branch, say that their branch deals with nearly 500 manufacturing units all over Shanghai, collecting cargo from all the factories, big and small. "Our main exports are petroleum chemicals — raw materials, pigments and dyestuffs, dye intermediates and rubber products. We have a total value of both-ways trade

running to over U.S. \$200 million a year, the branch being a very heavy importer as well as exporter."

Shanghai's is the oldest and biggest branch within the National Chemicals Corporation, they say with some pride. Orders for their products come from 130 countries round the world, the largest being from the United States.

The Corporation puts its oil-refining feedstocks into a wide variety of products: organic and inorganic chemicals, additives for animal feedstuffs, plastics and synthetic resins, reagents, pesticides, fungicides, paints, printing inks and adhesives. Among the rubber and plastic products are conveyor and machine belting. Dyestuffs and hydrocarbonphile are supplied for the textile industry, edible dyes for the food-processing industry, and enamels for metal-glassing.

Then there are the blowing agents for making foam rubber, antioxidants for pharmaceuticals, resins for audio-discs, activated carbon for filtering sugars, greases, etc., and for deodorizing other chemicals, bleaching powders for detergents — the list is very long.

The branch is the center of China's vehicle tire industry, and three-quarters of the country's heavy-duty tires are produced in the city. One of the supplying factories, Ta Chung Hua, was in fact the first of its kind in China, having been established in 1928. Its "Double Coin" brand sells in 50 countries.

How has the recent fall in the price of crude oil affected the branch? "Our export income from oil has fallen, but our exports have increased overall," says Wu, "because our other products have made up for the shortfall."

Handkerchiefs by the Million

Amid the much-publicized global discussions of the textile trades, the humble handkerchief is rarely mentioned. Yet such is the size of this trade that, in Shanghai, a large specialized industry with 13 factories and 7,000 employees is devoted entirely to this product. It rates a separate department within the city's export-import administration.

"We are meeting great demand," says Mr. Hu Yin De, deputy general manager, "and sometimes have to buy in from factories outside Shanghai to meet it." Shanghai's average total production is 26 million

dozen a year (i.e. 300 million pieces, equivalent to one for every 15 people on earth), and foreign trade alone brings in about U.S. \$40 million a year, with markets in the United States and Canada, the Common Market, Africa, the Middle East, South America and the Caribbean. The trade is backed up by computerized information and data-processing systems.

The Japanese market is just being entered, too, with a special cotton-and-linen mix product. Shanghai provides 80 percent of all China's handkerchief exports. "The U.S. market likes

machine-embroidered handkerchiefs, whereas Europe prefers the more expensive hand-embroidered ones," Hu adds.

The Shanghai industry gets its cotton supplies from provinces in China, especially Hubei, but fine cottons also come from Sudan, Mexico and Egypt. Vegetable dyes come from China's Jilin Province, and the chemical dyes from Japan, Germany and Switzerland. "We are expanding, and must buy more machinery," says Hu. Sources of embroidery machines include Switzerland and Japan, the newest ones having computerized design functions.

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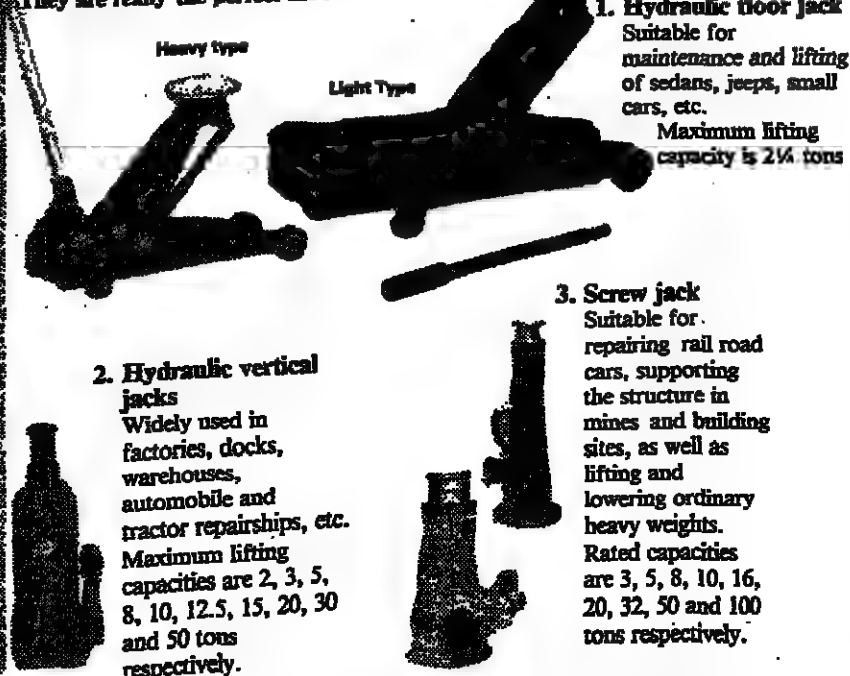


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NYSE Most Actives	Vol.	High	Low	Last	Chg.	Market Sales	NYSE 4 a.m. volume	NYSE prev. cons. close	NYSE 4 a.m. volume	NYSE Index	High	Low	Previous Close	Today's Close	AMEX Diary	Class	Prev.	NASDAQ Index	Class	Prev.	Week Ago	Year Ago	AMEX Most Actives	High	Previous Low	Close	Today's Close		
BorWin						NYSE 4 a.m. volume				NYSE 4 a.m. volume					Advanced			Composite											
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To Our Readers

Because of the seven-hour time difference between New York and Paris until April 5, some items in the Market Summary above are from 3 P.M. New York time instead of the usual 4 P.M. Also because of the time difference, some other items elsewhere in the Business section are from the previous day's trading.

We regret the inconvenience, which is necessary to meet distribution requirements.

Bargain Hunters Lift NYSE

United Press International

NEW YORK — Prices on the New York Stock Exchange closed higher in active trading Tuesday as investors regrouped after a two-day sell-off that chopped nearly 100 points off the Dow Jones industrial average.

Bargain-hunting and the strength in the U.S.

Although most U.S. stock market tables in this edition are from the 4 P.M. close in New York, for time reasons, this article is based on the market at 3 P.M.

government bond market helped lift prices, analysts said.

The Dow Jones industrial average closed up 26.25 points to 2,296.02, after falling 57.39 Monday.

Volume totaled about 140.35 million shares at 3 P.M., down from 182.34 million in the same period Monday. Advances led declines by about 3 to 2.

The New York Stock Exchange index was up 1.30 point to 165.86, and the price of an average share gained 33 cents.

Prices were mixed in moderate trading of American Stock Exchange issues.

"It's a normal reflex rally from the 100-point sell-off we've had over the last two or three days," said Ricky Harrington, technical analyst with First Interstate Securities Corp., of Charlotte, North Carolina.

Mr. Harrington said he expected the market would meet renewed resistance around the 2,300 level and would have "to back and fill" in early April before retreating to the 2,400 level late in the month.

Traders said stock prices were supported by

reports that Prime Minister Yasuhiro Nakasone was taking steps to defuse trade conflicts with the United States.

"There's still a fair amount of concern about what's going to happen with the dollar and in future trade relations with Japan," said Tom Gallagher, managing director in charge of capital commitment at Oppenheimer & Co. But he said the market "has a decent overall tone."

Mr. Gallagher said the market was shocked by the 80-point drop on the opening Monday, but likely will recover "in a couple of days."

Ed Shokron, partner in charge of institutional equities at Mabon, Nugent & Co., said that after the Dow's fall in the previous two trading sessions, "the jury's still out."

Mr. Shokron said that after a flurry of buying early Tuesday when traders were bargain-hunting and prices were supported by strength in the bond market, purchases tapered off.

"The difference between last week and this week is the talk of higher interest rates and a trade war with Japan," Mr. Shokron said.

"Those two factors have added uncertainty to this market. Volume is a lot less today than yesterday, reflecting the fact that people are trying to decide whether to stay in or take some profits and step to the sidelines."

Commonwealth Edison was the most active NYSE-listed issue at 3 P.M., up fractionally. Travelers and IBM followed, both falling.

Borg-Warner was up 1/4 to 45 1/2 in heavy trading. GAF offered to acquire Borg-Warner for \$46 a share.

Courage in its fourth day of trading, was among the most active issues, up slightly.

Tuesday's NYSE Closing

Via The Associated Press

Dow Jones Averages

Open	High	Low	Last	Chg.
Indus	2296.02	2296.02	2296.02	+26.25
Trans	2296.02	2296.02	2296.02	+26.25
Comp	2296.02	2296.02	2296.02	+26.25

AMEX Diary

Class	Prev.	Class	Prev.
Advanced	121	Advanced	121
Declined	121	Declined	121
Unchanged	121	Unchanged	121
New Low	121	New Low	121

NASDAQ Index

Class	Prev.	Class	Prev.
Advanced	121	Advanced	121
Declined	121	Declined	121
Unchanged	121	Unchanged	121
New Low	121	New Low	121

AMEX Most Actives

Class	Prev.	Class	Prev.
Advanced	121	Advanced	121
Declined	121	Declined	121
Unchanged	121	Unchanged	121
New Low	121	New Low	121

AMEX Stock Index

Class	Prev.	Class	Prev.
Advanced	121	Advanced	121
Declined	121	Declined	121
Unchanged	121	Unchanged	121
New Low	121	New Low	121

To Our Readers															
Because of the seven-hour time difference between New York and Paris until April 5, some items in the Market Summary above are from 3 P.M. New York time instead of the usual 4 P.M. Also because of the time difference, some other items elsewhere in the Business section are from the previous day's trading.															
We regret the inconvenience, which is necessary to meet distribution requirements.															
12 Month High Low Stock Div. Yld. PE 12 Month High Low Stock Div. Yld. PE															
37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2
37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2
37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2
37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2
37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2
37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2
37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2
37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2
37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2
37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2
37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2
37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2
37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2
37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2
37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2
37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2
37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2
37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2
37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2
37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2
37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2
37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2
37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2
37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2
37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2
37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2
37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2
37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2
37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2
37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2
37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2
37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2
37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2
37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2
37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2
37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2
37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2
37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2
37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2
37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2
37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2
37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2
37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2
37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2
37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2
37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2
37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2
37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2
37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2
37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2
37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2
37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2
37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2
37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2	37	41 1/2		

Bargain Hunters Lift NYSE

United Press International

NEW YORK — Prices on the New York Stock Exchange closed higher in active trading Tuesday as investors regrouped after a two-day sell-off that chopped nearly 100 points off the Dow Jones industrial average.

Bargain-hunting and the strength in the U.S. government bond market helped lift prices, analysts said.

The Dow Jones industrial average closed up 26.28 points to 2,296.02, after falling 57.39 Monday.

Volume totaled about 140.35 million shares at 3 P.M., down from 182.34 million in the same period Monday. Advances led declines by about 3 to 2.

The New York Stock Exchange index was up 1.30 point to 165.86, and the price of an average share gained 33 cents.

Prices were mixed in moderate trading of American Stock Exchange issues.

"It's a normal relief rally from the 100-point sell-off we've had over the last two or three days," said Ricky Harrington, technical analyst with First Interstate Securities Corp., of Charlotte, North Carolina.

Mr. Harrington said he expected the market would meet renewed resistance around the 2,300 level and would have "to back and fill" in early April before restoring the 2,400 level late in the month.

Traders said stock prices were supported by reports that Prime Minister Yasuhiro Nakasone was taking steps to defuse trade conflicts with the United States.

"There's still a fair amount of concern about what's going to happen with the dollar and in future trade relations with Japan," said Tom Gallagher, managing director in charge of capital commitment at Oppenheimer & Co. But he said the market "has a decent overall tone."

Mr. Gallagher said the market was shocked by the 80-point drop on the opening Monday, but likely will recover "in a couple of days."

Ed Shoptorn, partner in charge of institutional equities at Mabon, Nugent & Co., said that after the Dow's fall in the previous two trading sessions, "the jury's still out."

Mr. Shoptorn said that after a flurry of buying early Tuesday when leaders were bargain-hunting and prices were supported by strength in the bond market, purchases tapered off.

"The difference between last week and this week is the talk of higher interest rates and trade war with Japan," Mr. Shoptorn said. "Those two factors have added uncertainty to this market. Volume is a lot less today than yesterday, reflecting the fact that people are trying to decide whether to stay in or take some profits and step to the sidelines."

Commonwealth Edison was the most active NYSE-listed issue at 3 P.M., up fractionally. Travelers and IBM followed, both falling.

Borg-Warner was up 1 1/4 to 45 1/8 in heavy trading. GAF offered to acquire Borg-Warner for 34 1/2 share.

Couatl, in its fourth day of trading, was among the most active issues, up slightly.

12 Month	High	Low	Stock	Div.	Yld.	PE	12 Month	High	Low	Stock	Div.	Yld.	PE	12 Month	High	Low	Stock	Div.	Yld.	PE	12 Month	High	Low	Stock	Div.	Yld.	PE	12 Month	High	Low	Stock	Div.	Yld.	PE
12181.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		

12 Month	High	Low	Stock	Div.	Yld.	PE	12 Month	High	Low	Stock	Div.	Yld.	PE	12 Month	High	Low	Stock	Div.	Yld.	PE	12 Month	High	Low	Stock	Div.	Yld.	PE	12 Month	High	Low	Stock	Div.	Yld.	PE
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		

12 Month	High	Low	Stock	Div.	Yld.	PE	12 Month	High	Low	Stock	Div.	Yld.	PE	12 Month	High	Low	Stock	Div.	Yld.	PE	12 Month	High	Low	Stock	Div.	Yld.	PE	12 Month	High	Low	Stock	Div.	Yld.	PE
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		

12 Month	High	Low	Stock	Div.	Yld.	PE	12 Month	High	Low	Stock	Div.	Yld.	PE	12 Month	High	Low	Stock	Div.	Yld.	PE	12 Month	High	Low	Stock	Div.	Yld.	PE	12 Month	High	Low	Stock	Div.	Yld.	PE
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		

12 Month	High	Low	Stock	Div.	Yld.	PE	12 Month	High	Low	Stock	Div.	Yld.	PE	12 Month	High	Low	Stock	Div.	Yld.	PE	12 Month	High	Low	Stock	Div.	Yld.	PE	12 Month	High	Low	Stock	Div.	Yld.	PE
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		

12 Month	High	Low	Stock	Div.	Yld.	PE	12 Month	High	Low	Stock	Div.	Yld.	PE	12 Month	High	Low	Stock	Div.	Yld.	PE	12 Month	High	Low	Stock	Div.	Yld.	PE	12 Month	High	Low	Stock	Div.	Yld.	PE
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		

12 Month	High	Low	Stock	Div.	Yld.	PE	12 Month	High	Low	Stock	Div.	Yld.	PE	12 Month	High	Low	Stock	Div.	Yld.	PE	12 Month	High	Low	Stock	Div.	Yld.	PE	12 Month	High	Low	Stock	Div.	Yld.	PE
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454						

12 Month	High	Low	Stock	Div.	Yld.	PE	12 Month	High	Low	Stock	Div.	Yld.	PE	12 Month	High	Low	Stock	Div.	Yld.	PE	12 Month	High	Low	Stock	Div.	Yld.	PE	12 Month	High	Low	Stock	Div.	Yld.	PE
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454		
2895.400	2895	2895	2895	+104	NYSE prev. cons. close	2895.400	2895.400	2895.400	2895.400	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454	1454											

12 Month	High	Low	Stock	Div.	Yld.	PE	12 Month	High	Low	Stock	Div.	Yld.	PE	12 Month	High	Low	Stock	Div.	Yld.	PE	12 Month	High	Low	Stock	Div.	Yld.	PE	12 Month	High	Low	Stock	Div.	Yld.	PE
15	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23
16	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23
17	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23
18	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23
19	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23
20	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23
21	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23
22	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23
23	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23
24	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23
25	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23
26	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23
27	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23
28	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23
29	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23
30	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23
31	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23
32	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23
33	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23
34	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23
35	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23
36	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23
37	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23
38	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23
39	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23
40	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23
41	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23
42	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23
43	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23
44	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23
45	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23
46	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23
47	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23
48	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23
49	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23
50	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23
51	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23
52	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23
53	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23
54	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23
55	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23
56	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23	137	1194	1194	Logan	1.00	2.5	23
57	1194	1194	Logan	1.00	2.5	23																												

INTERNATIONAL MANAGER

By SHERRY BUCHANAN

Because younger managers are becoming interested, the agen-

Delhi to Cost \$686 Million

By John Burgess

The diagram illustrates a two-dimensional lattice structure. A central point is labeled i . A bond connecting this point to a neighbor is labeled b . A unit vector along the bond direction is labeled e_b . The lattice is composed of points connected by horizontal and vertical bonds.

The Associated Press

points.

United Press International



Eurocurrency Deposits						March 21	
	Dollar	D-Mark	Swiss Franc	Starline	French Franc	ECU	SDR
1 month	6 1/4 %	5 3/4 %	6 1/2 %	9 3/4 %	8 5/8 %	7 1/4 %	5 3/8 %
3 months	6 1/2 %	5 7/8 %	6 1/2 %	9 5/8 %	8 5/8 %	7 1/4 %	5 3/8 %
6 months	6 3/4 %	5 3/4 %	6 1/2 %	9 5/8 %	8 5/8 %	7 1/4 %	5 3/8 %
9 months	6 3/4 %	6 1/8 %	6 1/2 %	9 5/8 %	8 5/8 %	7 1/4 %	5 3/8 %
1 year	6 3/4 %	6 1/8 %	6 3/4 %	9 5/8 %	8 5/8 %	7 1/4 %	5 3/8 %

Sources: Morgan Guaranty (dollar, DM, SFR, pound, FF); Lloyds Bank (ECU); Reuters (SDR). Rates applicable to interbank deposits of \$1 million minimum (per account).

Asian Dollar Deposits

U.S. Money Market Funds

Gold

To Our Readers

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CITY · PUNTA DEL ESTE RIO DE JANEIRO · SAO PAULO

FIGURES AS AT DECEMBER 31, 1986:
TOTAL ASSETS:
 US \$ 168 billion
SHAREHOLDERS' EQUITY:
 US \$ 16 billion

GAF Proposes to Buy Borg-Warner

The Associated Press

NEW YORK — GAF Corp. said today it had offered to acquire Borg-Warner Corp. for about \$3.17 billion, but Wall Street promptly indicated that it expected the bid to go higher.

GAF, a maker of specialty chemicals and building products based in New Jersey, already owns 17.1 million shares, or 19.9 percent, of Borg-Warner's approximately 86 million common shares outstanding.

GAF offered to buy the remaining stock for \$46 a share in cash. But that was below the \$47.125-a-share price at which Borg-Warner's stock closed Monday in New York.

Borg-Warner's stock jumped \$2.875 a share Monday, despite the steep sell-off in the overall stock market, amid speculation GAF might make an offer.

In early trading Tuesday, Borg-Warner's stock jumped another \$1 to \$48.125 a share after GAF's announcement, indicating that investors believed GAF's current offer

might be inadequate to take over Borg-Warner.

Borg-Warner, headquartered in Chicago, is a diversified concern with interests in specialty chemicals and engineered plastics, automotive parts and services.

Speculation that there might be an offer heightened Friday after GAF announced that it had raised its stake in Borg-Warner to 19.9 percent from 9.4 percent.

Borg-Warner issued a terse statement Tuesday saying it had received GAF's offer but would have no comment until its directors reviewed the proposal.

GAF's chairman, Samuel J. Heyman, emphasized the friendly nature of the offer, saying GAF viewed the proposed merger as a partnership that might call for Borg-Warner's senior management to have "key roles" in the newly merged company.

He also said the proposed purchase, which would be made by tender offer, would be subject to approval by Borg-Warner's directors.

Mr. Heyman said that GAF also was willing to discuss having Borg-

Warner officials on a newly constituted board of directors, changing the name of GAF to incorporate Borg-Warner's name and maintaining a "meaningful presence for the company in the Chicago area."

GAF said it planned to finance the acquisition with its own money and with bank borrowings from a group of lenders led by Chase Manhattan Bank in New York.

GAF raised its stake in Borg-Warner after a group led by a Minneapolis financier, Irwin L. Jacobs, sold its 4.4 percent interest in the company earlier Friday. Mr. Jacobs previously had made a tentative proposal to buy Borg-Warner.

In 1986, Borg-Warner had profits of \$206.1 million on sales of \$3.62 billion, up from 1985 profits of \$178.5 million on sales of \$3.33 billion.

With major operations that include financial, credit and security services, Borg-Warner in recent years has managed to transform itself from an old-line manufacturer into a reasonably profitable, diversified holding company, analysts say.

BCal Has £19 Million Loss, Cites Terrorist Fears in U.S.

Reuters

LONDON — British Caledonian Airways, Britain's second largest airline, on Tuesday reported a loss of £19.3 million (currently \$31.07 million) in 1986 and attributed it mainly to concerns in the United States last year about terrorist attacks in Europe.

The pretax loss, for the financial year ending in October, compares with a record pretax profit of £21.7 million in 1985, Sir Adam Thomson, the airline's chairman, said.

He said the main causes for the loss were a decline in U.S. transatlantic traffic after terrorist attacks in Europe, the U.S. air raids on Libya last April 15, the Soviet nuclear plant disaster at Chernobyl on April 26 and a slump in the oil industry that affected Middle East traffic. Sir Adam predicted a return to profitability this year.

Last year, after the drop in business, the airline cut 1,000 jobs in its 7,750-member work force, sold some of its assets and reduced the number of its flights across the Atlantic to 33 from 35 a week, and to the Middle East. It said the cuts would save £30 million a year.

Commerzbank Will Raise Payout as Net Soared 29.9%

By Ferdinand Protzman

International Herald Tribune

FRANKFURT — Commerzbank AG's parent company net profit rose 29.9 percent in 1986 to 288.2 million Deutsche marks (\$160 million at current rates) from 221.7 million DM a year earlier, prompting the bank to raise its annual dividend to 9 DM from 8 DM a share in 1985, the company announced Tuesday.

A complete earnings breakdown, including group figures, will be released later this week.

The dividend increase will raise the total payout to shareholders to 186.8 million DM, from 142.0 million DM paid for 1985. Commerzbank said 60 million DM of the parent company profit would be placed in reserves, the same amount as in the previous two years.

Analysts said the news fell in line with stock market expectations that the largest West German banks would raise their dividends for 1986 or add bonus payments in what is being called one of the best years ever for German banks.

Deutsche Bank, the country's largest universal bank, announced late Monday that it would maintain

its dividend at 12 DM a share in 1986, but would add a bonus payment of 5 DM a share to reflect "exceptional profit gains" during the year. Deutsche Bank will also release complete earnings figures later this week.

The extraordinary earnings came from the bank's sale of the industrial core companies of the Flick group, analysts said.

Analysts said Dresdner Bank AG, the nation's second largest universal bank, is expected to raise its dividend to 11 DM a share for 1986, from 10 DM a share the previous year. Dresdner Bank will report on its earnings next week.

C&W Denies Agreement On Japanese Venture

Reuters

LONDON — Cable & Wireless PLC, the British telecommunications giant, denied Tuesday that it had reached agreement with Japan, after U.S. and British pressure, allowing it to increase its share in a proposed Japanese international communications company.

A company spokesman said the Japanese proposal, which would allow C&W a 5 percent share, was unreasonable. C&W is seeking 20 percent. The company is in one of two consortiums competing for permission to start a telephone enterprise, which would rival a Japanese state-controlled company.

Honeywell Bull Called an 'American' Firm

By Arthur Higbee

International Herald Tribune

Honeywell Bull Inc., the new information systems company formed by Bull of France, Honeywell of the United States and NEC of Japan, will be an American company with American management, according to Jacques Stern, the Frenchman who heads Compagnie des Machines Bull.

Although Mr. Stern, 55, will be chairman of the new company, he will remain chairman and chief executive of Bull, he told The New York Times, and will be involved chiefly as a strategist.

Day-to-day management will be up to Jerome J. Meyer, 49, president and chief executive.

The new company, which was essentially formed from the computer division of Honeywell, began operations Friday with headquarters in Minneapolis. Worldwide, it has 20,500 employees, and annual revenues of \$1.9 billion. Honeywell owns 42.5 percent, as does Bull, and NEC owns 15 percent.

Mr. Meyer moves up from executive vice president of Honeywell Information Systems. He has been in the computer business for 27 years. He is a Minnesota native and a graduate of the University of Minnesota.

Mr. Stern, who joined Bull in 1982 after a successful career as a computer entrepreneur, is a graduate of France's elite Ecole Polytechnique. He holds a master of science degree from Harvard.

Japan Air Lines' board of directors gave its approval Tuesday to the resignation of its chairman, Junji Ito. He had tendered it March 14, saying he wanted to step down now that the company is being completely turned over to the private sector. Mr. Ito, 63, had joined JAL after the August 1985 airliner crash that killed 520 people, the world's worst single-plane aviation

To Our Readers

Please send information about management changes to: Business People International Herald Tribune 181 av. Charles de Gaulle 92200 Neuilly Cedex France or: Telex 612-718 Fax 4637-9370

disaster. JAL's business has picked up in the past six months, indicating recovery from the effects of the crash.

Penn Central Corp.'s chairman and chief stockholder, Carl H. Lindner, 67, has taken on the added post of chief executive officer, and Ronald P. Walker, 48, a direc-

tor, has been named president and chief operating officer of the American energy and technology company. The former president and chief executive, Alfred W. Martinelli, 59, has been named vice chairman and will serve as a consultant in energy-related operations.

Standard Chartered Bank PLC of London, which acquired control of the Mocatta Group last year, has appointed Keith Smith, 53, as group chief executive, succeeding Henry Jarocki, 53, who will continue as chairman of Mocatta Metals Corp., the group's New York branch. Mr. Smith remains managing director of Mocatta & Goldsmid Ltd., the Mocatta Group's headquarters in London. Mocatta, a precious metals trader in London since 1671, also has a Hong Kong branch, Mocatta Hong Kong Ltd.

Renault's Loss Narrowed In 1986; Sales Rose 7.3%

Compiled by Our Staff From Dispatches

PARIS — The Renault automobile group narrowed its losses by half in 1986, to 5.54 billion francs (about \$925 million) from 10.9 billion francs a year earlier, the government-owned company announced Tuesday.

The group linked the improvement to the success of its new Renault 21 sedan model and its Super 5 compact. Renault's share of the French market rose to 33.3 percent last year from 30.1 percent.

The gain helped push revenue to 131.06 billion francs, up 7.3 percent.

Other factors behind Renault's improved 1986 results include restructuring efforts aimed at trimming jobs and containing costs.

Renault said its operating loss narrowed sharply to 1.013 billion francs last year from 8.820 billion francs in 1985.

The improvement in operating

results was offset in part by 3.9 billion francs of new provisions for future restructuring.

Separately, Renault said it planned to cut 1,300 jobs at its Boulogne-Billancourt complex in Paris by this summer, reducing its work force there to 5,500 by June from the current 6,810. Renault said that in an overall plan to improve productivity it intended to reduce the work force there to 5,100 by the end of the year.

Earlier this month, the company announced it would sell its majority stake in its U.S. subsidiary, American Motors Corp., to Chrysler Corp.

The announcement marked a major shift away from the group's earlier bid to restructure its way to profitability while retaining a foothold in the U.S. market, industry analysts said.

(A.P. Reuters)

SNECMA Profit Fell 40% in '86

International Herald Tribune

PARIS — SNECMA, France's state-controlled engine maker, announced Tuesday that 1986 profit fell 40 percent to 46.2 million francs (\$7.7 million) from 76.5 million francs in 1985, while sales rose 11 percent to 10.2 billion francs.

Orders booked last year fell to 10.3 billion francs from a record 13.9 billion francs in 1985, which the chairman, Jacques Benichou, blamed on the weak dollar and lower exports of French fighter aircraft.

Mr. Benichou said tests were on schedule for the CFM56-5 turbofan engine being developed with General Electric Co. of the United States for the Airbus A-340. SNECMA's full name is Société Nationale d'Etudes et de Construction de Moteurs d'Aviation.

Huber had sales of \$20 million for the year ended Nov. 30.

Lloyds Bank PLC and Royal Bank of Canada are closing their merchant banks in Hong Kong, the chief executive officers of the two banks said Tuesday.

Barry Maddams, Lloyds's general manager in Hong Kong, said the operation was unprofitable.

Ricoh Co. of Japan confirmed that it intends to build a factory to make photocopying machines at Colmar-Wettolsheim in northeast France, sources close to the regional administration said Tuesday.

Ricoh is expected to invest 27 million francs (\$4.5 million) to build the plant.

Saschizi & Saschizi Co. shares began trading on the Paris Bourse Monday. About 1.3 million shares changed hands in the first day of trading, brokers said.

Saschizi, a British advertising agency that ranks fifth in the French advertising market, traded at 64.50 francs a share. Nearly 156 million ordinary shares have been put on the Paris market.

Skanska AB, a Swedish construction and real estate company, said it would sell its 49 percent holding in Canadian Foundation Co., a building concern, to Banister Continental Ltd. A company spokeswoman said that Skanska would receive Banister shares in payment, giving the Swedish group a 15 percent stake in Banister.

COMPANY NOTES

BASF AG, the West German chemical company, said it was halting distribution of home computer disk drives made under license by Sinochem of Singapore. BASF said the fall of the dollar made the arrangement unprofitable. BASF decided in July 1986 to transfer production of the disk drive systems to Sinochem, but to continue to market them in West Germany.

China International Trust & Investment Corp., which is owned by the Chinese government, bought the unfinished City Garden Hotel in Hong Kong from a subsidiary of Cheung Kong (Holdings) Ltd. for 235 million Hong Kong dollars (\$30 million), Cheung Kong's director, Albert Chow, said Tuesday.

Fuji Photo Film Co. is to set up a subsidiary in Kiev, West Germany, to produce videocassette tapes, a spokesman said Tuesday. The unit, Fuji Magnetics GmbH, is to be capitalized at 25 million Deutsche marks (\$13.9 million) and produce two million tapes a month for the European market beginning in early 1988, he said.

ICN Pharmaceuticals Inc. said its 87 percent-owned SPI Pharmaceuticals Inc. unit has completed the acquisition of 71 percent of Laboratorios Huber SA, a government-owned Spanish pharmaceutical company. The company said the remaining 29 percent is to be purchased over 10 years and the total purchase price would be as much as \$8 million, payable in

pesetas. Huber had sales of \$20 million for the year ended Nov. 30.

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TEMPING: Flexible Lifestyle

(Continued from first business page)

Managers who temp are usually between jobs or early retirees. Eighty percent are still looking for a permanent job," said Sam Newman, an executive with Accountemps, a New York division of Robert Half International Inc., the U.S. temporary agency. "But some younger people are taking this option because they enjoy the lifestyle and the comparative freedom it gives them."

The main reason companies are reluctant to hire temporary managers is the phobia about secrecy. And to be effective, managers need to know about a company's products, markets, technology and strategy. "For a company, it is a real problem," Mr. Kist said.

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The Museum is open daily from 2-5pm (except Mondays) from March 28th - November 2nd; also open Bank Holidays and preceding Sundays 11am-5pm. Further details may be obtained from: The Secretary, The American Museum in Britain, Claverton Manor, Bath. Tel: (0225) 60503.

The American Museum in Britain

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1-4-87

Country	Carryover	1 year	2 years	3 years
Austria	1,500	4,000	2,000	1,400
Belgium	1,500	4,000	2,000	1,400
Denmark	1,500	4,000	2,000	1,400
France	1,500	4,000	2,000	1,400
Germany	1,500	4,000	2,000	1,400
Greece	1,500	4,000	2,000	1,400
Great Britain	1,500	4,000	2,000	1,400
Ireland	1,500	4,000	2,000	1,400
Italy	1,500	4,000	2,000	1,400
Japan	1,500	4,000	2,000	1,400
Netherlands	1,500	4,000	2,000	1,400
Norway	1,500	4,000	2,000	1,400
Portugal	1,500	4,000	2,000	1,400
Spain	1,500	4,000	2,000	1,400
Sweden	1,500	4,000	2,000	1,400
Switzerland	1,500	4,000	2,000	1,400
Rest of Europe, North Africa, former French Africa, Middle East	1,500	4,000	2,000	1,400
Rest of Africa, Gulf States, Asia	1,500	4,000	2,000	1,400

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